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REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

January 14, 1939

Japan Under Hiranuma
AN EDITORIAL

Inside Story of Japan's Crisis
EDITORIAL CORRESPONDENCE

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THE CHINA CRITIC

(中國評論週報)

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What People Are Saying

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MR. LEAF EXPLAINS

To The Editor:

I would appreciate it if you would publish a correction to an article which appeared in the November 12 issue of the **Review** in which it was stated that "Apparently the only legitimate Chinese propaganda which was being issued in the United States was the Trans-Pacific News Service issued by Bruno Schwartz, and the China Aid Information Exchange Bulletin, 33 W. 55th St., New York City, which is published by Earl H. Leaf, formerly connected with the **United Press** in China. These services are chiefly concerned with the raising of funds for civilian relief in China."

While it does not specifically say, this item implies that the China Aid Information Exchange and its Bulletin are more or less official Chinese propaganda agencies. This is far from true.

The Exchange is merely a clearing house for ideas and information between China aid organizations in this country. It provides the machinery for coordinating the activities of all such groups on the work as a whole or on specific projects. It does not define policies, issue public statements, conduct drives or engage in any public activity. The Exchange Bulletin is distributed among member organizations only and is not for circulation among the public because it often contains information of a confidential or semi-confidential nature. The editors do not blanket the whole bulletin with a "Not for Publication" order but they do ask discretion in its public use.

As for the exchange itself, its total expenditure per month averages $10, contributed by members. As you can imagine this would not pay for very much propagandizing among the American people.

While I have no brief for Carl Byoir and Associates, I must point out that their connection with the German Nazis and the Cuban Machadoists was discontinued before they commenced their work for the Chinese relief fund. While it was true they performed some anti-boycott work for the Japanese during the early days of their Chinese relief work, they dropped their Japanese account long before the new State Department Registration law, so that your reference in this connection also was erroneous.

EARL H. LEAF.

New York City, December 9, 1938.

GUERILLAS CRITICIZED

To The Editor:

All patriotic citizens are anxious and interested to know of guerilla activities and conditions as regards the people's livelihood in the occupied areas. I am a country lad of Changchow, Kiangsu. Since the withdrawal of the Chinese troops from Tazang, near Shanghai, I have been able to visit only towns and villages in the neighborhood of my birthplace, and so the conditions I describe pertain only to the Changchow district.

Since the fall of the said city, the people have been in a state of terror, disturbance and unrest. They are in constant fear of fire and slaughter by the Japanese, on the one hand, and of plundering by Chinese villains on the other.

In February of this year, guerilla units were organized from far and near, allegedly to fight the invaders. But facts show that their acts are nothing less than looting, extortion and squeeze. This has compelled some well-to-do people to take refuge in Shanghai. Meanwhile, so-called tax collection agencies were established in the different guerilla areas to collect imposts on merchant boats. Because of heavy taxation, prices of commodities from Shanghai and other places have soared, while prices of local products for export decreased, thus making the people suffer greatly. As a result, the term "guerilla units" has acquired an unpopular meaning in the minds of the people. Since promotion of their individual interests is the common aim of all, conflicts have occurred between the different guerilla units. One unit will use its superior forces to conquer others and extend its influence. Are they guerillas in reality?

After a considerable period many of the "guerilla units" were reorganized and placed under the supreme command of Tsai, who is said to have been appointed commander by the central authorities. The people, of course, entertain the hope that he will lay down a concrete plan for the country and people, rather than for individuals. Although there have been repeated declarations of the planned intensification of guerilla activities, nothing has yet been demonstrated, except that Tsai, with a large number of men at his disposal, being proud, always extends his influence by means of armed force, a recent example of which was his campaign against the "Big Sword Corps" at Chiaohsi, a town about nine miles north of Henglin, in which clash he lost his main force. As to taxation, he set up more tax collection agencies along the canal to increase the revenue, thus making the people, especially the merchants, complain bitterly.

We admit that the guerillas are patriotic, but all they have done up to

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the present seems to be primarily for the advancement of individuals. That is how it appears in the eyes of the people. We are drawing the attention of the central authorities to the real conditions in this area.

S. N. Chiang

Henglin, Kiangsu, December 24, 1938.

WANG AN OUTCAST

To The Editor:

There are many ways of committing suicide and I wonder why Mr. Wang Ching-wei chose the Japanese "poison" knife. He knows that Japan is China's No. 1 enemy. Has he forgotten that not less than 1,500,000 women and children were butchered and 90,000 women and young girls raped in the occupied areas of China?

Has he forgotten that one of his cousins, aged 12, lost an arm and a leg in a Japanese air raid on Nanking? Has he forgotten that a bullet is still hidden in his own body! From now on he is an outcast in the eyes of every Chinese.

O. S. CHANG.

Shanghai, January 2, 1939.

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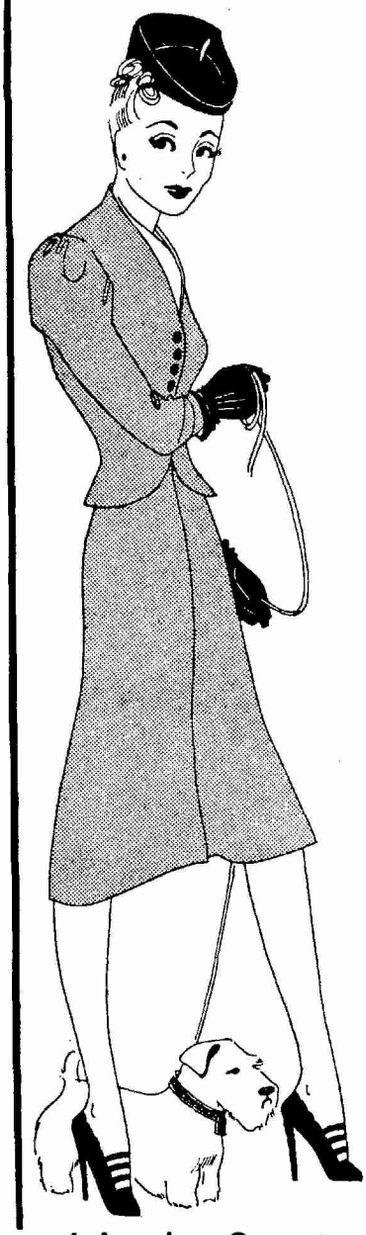

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U. S. OPINION SUPPORTS CHINA—700 PAPERS AGAINST JAPAN

JAPAN'S military activities in China, culminating in the recent repudiation of her treaty obligations in the Far East and the action of her military authorities in insolently slamming the Open Door in the face of Uncle Sam, John Bull and the other foreigners—excepting the German Nazis and Italian Fascists—have unloosed a storm of indignant editorial comment in the United States.

Within a period of one week at least 700 newspapers throughout the country published editorials, all but about 10 of which, condemned Japan for her military interference with American trade. Almost unanimously the press of the United States demanded that the U. S. Government apply economic restraint upon Japan in order to bring the warlords of that country to their senses and compel Japan to respect her treaty commitments. Some papers threatened stronger measures than those implied in the term, "economic restraint." Several were of the opinion that American trade in China "was perhaps not worth going to war about" (Galveston, Texas, *News*) but nevertheless they thought that the time had arrived for calling a halt to the habit of yielding to the threat of force. The habit of yielding, as exemplified in the action of Britain and France at Munich, "had so encouraged the aggressors that concessions for the sake of peace imperiled the very existence of peace-loving nations."

One paper, the Tifton, Georgia *Gazette* took the realistic view that "we cannot expect Japan to let us have our share of Chinese business; American business must fight for it."

Of special interest were the papers which opposed any form of economic action to preserve our rights on the Pacific. Without knowing the facts one can only speculate upon the motives which inspired these editors to oppose economic retaliation on the part of the United States. Two of the papers, Hartford, Connecticut, *Courant*, and Bridgeport, Connecticut, *Telegram*, are both published in areas which are deeply interested in the production of munitions. Two other papers, Great Falls, Montana *Tribune*, and Helena, Montana, *Independent* are both published in a state where the mining of minerals—copper—is a primary industry. The Detroit, Michigan *News*, published in the world's automobile (and truck) manufacturing center opposed economic action against Japan as also did the Worcester, Ohio, *Gazette*. The Atlanta, Georgia, *Constitution*, published in a state where the annual cotton sale to Japan is an important item, couldn't understand why America should resent Japan's actions toward the United States, or words to that effect.

A complete summary of editorial opinion in the United States appears elsewhere in this issue of *The Review*. It was written by Earl Leaf, who was well known in China as the manager of the *United Press* bureau in Tientsin and local manager of the bureau here. The article appeared originally in December *Amerasia*.

JAPANESE WILL ALSO RESTRICT B. A. T. IN CENTRAL CHINA

(Reprinted from Amerasia N. Y. for December)

A study of the tobacco industry in China may well serve as a case history to illustrate the Japanese claim that they have no intention of expelling foreign interests from the conquered areas. The British-American Tobacco Company has been for decades one of the largest companies doing business in China. Its development, growth and decline have run parallel with the increased prosperity of China itself and with the dwindling of the actual area under Chinese control in the face of Japanese aggression. The large business which the B.A.T. carried on in Korea was lost when Japan annexed that country, and the Japanese resented the fact that the B.A.T., after its expulsion from Korea, refused to permit the Japanese to use trade names and labels which it had made popular. Again the B.A.T. found itself being gradually excluded from another market it had developed when the Japanese occupied Manchuria, and more recently the tobacco trade in the occupied areas of North China has been divided between the Manchuria Tobacco Company and the Toa Tobacco Company—two Japanese concerns which are branches of the Imperial Tobacco Monopoly of Japan. Factories in Chinwangtao, Tientsin, Tsingtao, and Tsinan are planned as supply base for the expected North China trade. Though the B.A.T. is still allowed to purchase its requirements of Shantung tobacco, this is tolerated primarily because its ability to pay to the new Peking puppet regime in American currency fills a desperate Japanese need for foreign exchange. The B.A.T. will be permitted to carry on business so long as the present Japanese tobacco industry is not fully prepared to supply the extensive needs of China. Indications of this are evident in the vigor with which the Japanese are going after the tobacco trade in Central China.

Moving around the curve made by Korea, Manchuria and North China, we now reach Central China where the B.A.T. carried on its most extensive and prosperous trade. There we find that the Japanese Government has recently authorized the Oriental Leaf Tobacco Company to increase its capital stock from the present one million yen to 10 million yen for the explicit purpose of financing its proposed entry into the Central China markets. On the pretext that during the Shanghai hostilities of last year 179 units of Chinese owned tobacco machinery were destroyed (in most instances this destruction was carried out by the Japanese with the sole purpose of destroying Chinese competition), the Oriental Leaf Tobacco Company is now planning to supplant this productive unit which was able to turn out an estimated 18 billion cigarettes annually. Though this supplanting of destroy-

ed Chinese cigarette factories by Japanese will for some time create only a secondary competitor for the enormous trade carried on by the B.A.T., it is obvious from past history in this industry that the Japanese will leave no stone unturned in their efforts to crowd the B.A.T. more and more to the wall.

The Oriental Leaf Tobacco Company, considered to be one of the most promising Japanese projects, has been selected by the Japanese Army for penetration into Central China and plans are being laid for the construction of large capacity modern factories in both Shanghai and Nanking. If the Japanese have their way the British-American Tobacco Company will suffer the same fate in Central China that it did in Korea, Manchuria, and North China.

***

The police authorities of the International Settlement recently seized large quantities of cigarettes manufactured and packed in cartons in imitation of well known B. A. T. brands such as "Ruby Queen," "Pirate," and "Pinhead. While some of the containers were discarded B. A. T. boxes and cans containing stamp-labels which already had been paid, most of the containers were newly printed, allegedly in Japan or in Japanese printing plants in the Hongkew section. The tobacco was said to be of poor quality. One factory engaged in the production of imitation brands, which was raided on Jan. 1, was claimed to be the largest plant of this character ever opened in the city. The Chinese papers alleged that the machinery was of modern Japanese manufacture as also was the paper used in wrapping the cigarettes.

"MEN IN UNIFORM" WHO ARE "NOT WELCOME" IN SOME CABARETS

ABOUT the only enterprises in Shanghai which have continued to function and prosper throughout the "crisis" are the cabarets. While the fighting was in progress on the borders of the foreign settlements, the police forced the cabarets to close at 11 o'clock at night, but the pressure was too great and the curfew regulations were soon extended until they practically became non-existent.

But before proceeding further, we hasten to explain the meaning of the term "cabaret" for the benefit of readers who do not reside on the banks of the Whangpoo. According to "Concise Oxford" the term *cabaret* means a "French tavern," or "entertainment provided in restaurants while guests are at table." Neither definition is correct in Shanghai where cabarets resemble "taxi-dance-halls," that is, places where one may dance with young women—or some not so young—at the cost of 3 to 5 dances for $1. Between dances the girls sit at tables around the edge of the dance-floor, or at separate tables with male guests. In this case the young women receive small commissions on drinks which the men purchase. Cabarets are fruitful sources of romances of temporary or lasting character. The number of cabarets in Shanghai is not known accurately and it would require a small army of census-takers to give any correct idea of the number of cabaret-dancers who earn a living by serving as partners in this man-dominated city. Some of the larger and more luxurious Chinese cabarets have as many as 150 to 200 Chinese girls. Where they come from and how they learn to dance so well—to western jazz music—has always been a local mystery. The musicians, most of whom are Filipinos, would themselves make a small army if lined up and supplied with rifles instead of cornets, tubas, violins and drums.

Since Shanghai is a man's town where large numbers of soldiers and sailors of various nationalities are quartered for varying periods, the cabarets naturally provide a chief source of entertainment for men of the fighting services. Aside from the low-class joints and bars in the "blood-alley" section of the French Concession, most of the cabarets in the city are operated in orderly manner . . . . which brings us to the point of the story:

Recent issues of the sprightly weekly, *Walla-Walla*, issued by the men of the U. S. Fourth Marines, have called attention to a growing tendency on the part of proprietors of cabarets to put up signs at the entrances, "Men in Uniform Not Admitted." Latest issue of the magazine had this to say on the subject,

> "Freely translated, the foregoing bit of Shanghai dialect means that those people for whose continued existence your presence here is guarantee do not wish your company. Adventurers and expatriates whose only claim to decency is in their possession of a presentable suit are, of course, welcome, but not you, for you're only a common soldier and you're in uniform. Isn't it pleasant? Isn't it satisfying to know that those civilians who have been so loudly crying for protection this past year and more do not wish to recognize you in public? We wonder just what those British and Italian soldiers who died here last year might say, could they speak to us."

With few exceptions the Shanghai cabarets are owned and managed by Chinese. Since it requires considerable capital to furnish and operate these places the total investment in this class of amusement enterprise in Shanghai is considerable, probably several millions of dollars. For some reason the proprietors of these places have proved themselves to be the least patriotic citizens of China, for they have steadily resisted attempts on the part of relief agencies to induce them to submit to some form of voluntary-taxation as a means of obtaining funds to support the hordes of destitute war refugees—men, women and children—in the city. The proprietors of theaters quickly accepted a proposal of this character and as a result of a small sur-tax on tickets have become chief contributors to the relief funds.

But not the proprietors of the Chinese cabarets who have refused to accept a proposal of this type and now have begun to hang up the insulting signs referred to in the foregoing. The men of the Marine Corps and other services are justified in their reported decision to place such places "out of bounds" permanently.

I. T. & T. Official Arrives from Tokyo

C. C. Chapman, Vice-President of the American International Telephone and Telegraph Corporation arrived in Shanghai this week from Tokyo where his office is located. I. T. and T. is the parent company of the Commercial Pacific Cable Company and Mackay Radio, both of which operate between Shanghai and the United States and Philippines. George F. Shecklen, Manager in the Far East for Radio Corporation of America and H. E. Stovall of Manila, who is connected with Mackay Radio, departed for Hongkong this week. Mr. Stovall has been in Shanghai since the departure of C. T. McClellan early in the present month, for the United States on home leave. Mrs. McClellan accompanied her husband on the trip.

***

There have been no further developments in connection with the protest which the Japanese military-fostered Central China Tele-communications Company, Ltd., lodged against the American Globe Wireless Company early in the present month. The Globe service was still operating this week under licenses granted by the Federal Communications Commission at Washington, D. C., and the National Government at Chungking. The Globe service was previously operated by the Dollar Steamship Company but its Shanghai office was restricted to business of the company, although the offices in Manila and San Francisco engaged in general commercial business. After the U. S. Government took over the ships operated by the Dollar interests, Globe Wireless was continued as an independent concern and its business here was expanded to handle both commercial and press messages. Since the messages dispatched and received over the Globe service are not subject to Japanese censorship it has enjoyed capacity business. The Globe office is located in the Dollar Building on Canton Road. The Japanese company, Central China Telecommunications Company, Ltd., is a private enterprise which was organized by the Japanese army to take over and operate Chinese Government radio and telegraphic services which the Japanese Army seized when it occupied the Shanghai district. The Japanese service is closely censored by the Army and is inefficiently operated, according to report. It occupies the premises formerly used by the Chinese Government Radio Administration (C.G.R.A.) in Sassoon House.

Inside Story of Japan's Cabinet Reshuffle

(Editorial Correspondence)

FEW events in the past storm-laden 18 months have given the embattled Chinese as much comfort and the foreign interests here as much dismay, as the latest ministerial squabble in Tokyo.

The Chinese interpreted the replacement of the conservative, cautions Prince Ayamaro Konoye, closely linked with Japan's financial capital, by the ultra-reactionary Baron Kiichiro Hiranuma as a clear indication of the cracks and stresses in Nippon's body politic.

The Prince's virtual retirement, the Chinese believe, marks the approaching end of the idyllic alliance between Big Business and the Army, which launched the invasion of China in July, 1937.

The alliance was based on an exchange of funds, needed by the Army for its military adventures, for lucrative munitions orders and a free hand in exploiting North China's vast untapped resources desired by the Capitalists.

First signs of friction became apparent when the extension of hostilities to the Shanghai area converted what was intended to be a local "incident" in Hopei Province into a national war. Big Business, intent on ending the hostilities in a one-two count and then descending upon the rich Chinese pastures, was shocked to discover that the carefully-drafted plans of the Japanese General Staff were nullified by the Chinese determination to resist.

Shocks followed each other in quick succession. Nanking fell, but China continued to fight. At Taierchwang, on the approaches to Hsuchow, the Chinese dealt a painful blow to the Japanese Army's pride and picked troops. Next came the Yellow River floods, partly engineered by the Chinese, which cost Nippon three months in time and probably 50,000 officers and men in additional casualties. Finally, the twin blows at Canton and Hankow, upon which the Japanese Army had staked so much, had failed to break down Chinese morale.

The unexpected protraction of fighting began to tell in a severe curtailment of Japan's once enormous export trade, in a drain on Japan's monetary, material and human resources, and in the virtual collapse of most of the non-military industries.

The "Big Five,"—the Houses of Mitsui, Mitsubishi, Sumitomo, Okura and Yasuda,—which went into the munitions business on a big scale, discovered (with the exception of Yasuda) that their war earnings failed to cover their losses on the manufacture of consumption goods, foreign trade, shipping and commercial financing.

Meanwhile, short on funds and anxious to deal a crushing blow to the Chinese before Japan's capacity for waging war on Russia was impaired, the Army began to tighten its control over the nation's economy. The process of regimentation was carried through the enforcement of various provisions of the infamous National Mobilization Bill, which was passed by the Diet a year earlier only after a most solemn Government pledge that it "would not be invoked during the war with China."

Alarmed by the steady encroachment of the Army upon their activities, the "Big Five" also discovered that the Fighting Services did not intend to give them a free rein in the newly-occupied areas in China.

The Army ensured its dominance over the new "Eldorado" by placing its men in key positions on the new Asia Development Board, entrusted with the regulation of Japanese political, economic and cultural activities in the seized territory.

The battle between Big Business and the Fighting Services for the control of the Board was fought late in September. Gen. Kazushige Ugaki, the then Foreign Minister and representative of the conservative business interests, sought to ensure an "Open Door" in China for Japanese Big Business by placing the projected board under the control of the Foreign Office.

When his plan was unceremoniously rejected, Gen. Ugaki resigned,—a fortnight before the Japanese invasion of South China.

His resignation marked an exacerbation of relations between the Army and Big Business. Lieut.-Gen. Yanagawa was put at the head of the Board. Major-Gen. T. Suzuki, once a member of the quadrumvirate which drafted the blue-prints of the Japanese Kwantung Army's aggression on the continent, was appointed Chief of the important political section.

Lieut.-Gen. Seiichi Kita, Chief of the Army's Special Service (espionage) Section in North China and the man manipulating most of China's puppets, was appointed

China Belongs To Me!

St. Louis Post-Dispatch

liaison agent in China. The Special Service itself was clothed with unaccustomed (and totally undeserved) respectability by being incorporated within the Asia Development Board's staff in this country.

The Army's demand for the invocation of Article XI of the National Mobilization Bill, providing for restrictions on the rate of dividend and the employment of profits, turned out, however, to be the last straw.

Prince Konoye, who stomached the antics of Gen. Araki and Admiral Suetsugu in his Cabinet, who agreed to the virtual expulsion of Gen. Ugaki from the Foreign Office, who, finally, half-heartedly sanctioned the Army's seizure of the Asia Development Board, could stand it no longer.

The political maneuvers and intrigue which featured the next fortnight formed a breath-taking commentary on Japanese political unity, morality and the conflict of forces within the State.

Early in December, Prince Konoye decided to go to the nation with his own idea of what the Government's policies should be. The eagerly-awaited address was to be delivered in Osaka on Dec. 11. A few hours before

the appointed time, however, the Premier unaccountably fell sick,—or so the Army-controlled press led its readers to believe.

The show-down never came. On Dec. 22, after a series of calls by Army and civilian leaders at his home, Prince Konoye recovered and enunciated Japan's policy in China in a statement distinguished mainly for its vagueness and utter unacceptability of its terms to the Chinese Government.

His bolt shot, Prince Konoye began to prepare for his withdrawal from the political scene. Beginning around Christmas day, he plunged into a series of conferences, designed to find a successor equally acceptable to the Army and Big Business.

The rest of the story is public property. On Jan. 3, Prince Konoye handed the premiership over to Baron Hiranuma, whose chief virtues are archery and punctuality and whose vices are his close affiliation with the Army, reactionary organizations and Mitsuru Toyama, the "Grand Old Man" of Japanese political terrorists.

Long noted for his jingoism and an ardent desire to head the Cabinet, Baron Hiranuma is expected by the Chinese to do the Army's bidding. In fact, as every one of his predecessors, on Jan. 4 he was presented with and immediately accepted seven demands by the Army. The main among these were the demands for an accelerated regimentation of Japan's economy and for the strengthening of the infamous "Anti-Red Axis."

Exactly a week later, they supplemented this demand with a "suggestion" that the new Cabinet should concentrate its attention on domestic problems, leaving the formulation of the China policies to the Army-controlled Asia Development Board.

To ensure complete unanimity in the Cabinet, the Army forced the replacement of all four of the economic ministers (finance, railways, commerce and industry, and agriculture and forestry) by persons better appreciative of the Army's desires. To Big Business the worst blow was the loss of Mr. Seihin Ikeda, the conservative and able Finance Minister, who once guided the destinies of the immensely powerful Mitsui economic empire.

The Chinese know that all these are signs of an intensified campaign in this country. Prince Konoye's defeat they translate into the terms of additional tons of explosives dumped upon the peaceful Chinese countryside in the cause of "Permanent Peace In East Asia."

But they find a measure of consolation in the conviction that the Japanese Army and Big Business have finally come to grips. Committed to the idea that the war with Japan can be won by exhausting the latter's material and human resources, the Chinese profess to see in the latest Cabinet crisis the sign they have so eagerly awaited.

They also believe, not without justice, that the Hiranuma Cabinet is doomed to a short life, for it neither has the confidence of the people nor the support of Big Business. Prince Konoye's make-believe retention in the Cabinet as a minister without portfolio is regarded by the Chinese as the Army's futile attempt to capitalize on his popularity.

It is not generally known that the ex-Premier was virtually blackmailed by the Army into an acceptance of the meaningless post of Minister without Portfolio.

According to the *Tokyo Asahi*, which was the only Japanese news organ to let the cat slip out of the bag, Baron Hiranuma offered the office to his predecessor on the night of Jan. 4. The following morning, Prince Konoye,—tired of being a figure-head,—declined the offer.

At 2 o'clock the same afternoon, however, the Army put its big guns into action. Lieut.-Gen. S. Itagaki, War Minister, called on Prince Konoye and "entreated" the latter to accept the new post, "pointing out," to use the *Asahi's* artless phraseology, "that the whole Army desired it unanimously." Mindful of the means of persuasion available to the Army, Prince Konoye with understandable alacrity agreed to serve his nation and Emperor once more, and thus avert another crisis.

A steady succession of crises, the Chinese say, must inevitably undermine Japanese morale and virtually force the Nipponese Army into a desperate gamble, the most likely of which is an attack on Soviet Russia. This, many observers here believe, will come late this summer.

But if the Chinese regard the threat of intensified hostilities here with relative equanimity, the foreign interests in China display no such calmness. Singled out for extinction by the Japanese Fighting Services, foreign businessmen have daily felt the tightening of the Nipponese stranglehold on trade, shipping and industry.

The removal of the remaining relatively liberal elements from the Cabinet and their replacement by Army puppets or frightened politicians signified to the foreign interests here an intensification of the Army's anti-foreign drive.

The Japanese Fighting Services' xenophobia is a cunning political maneuver. By excluding foreign traders from the rich Chinese market, by barring foreign vessels from the Yangtse River and other waterways, by placing various restrictions on travel and work, the Army is hoping to browbeat the Powers into a recognition of Nippon's new bayonet-carved empire in China.

As long as the Mitsui, Mitsubishi and other commercial enterprises, fearful of foreign retaliation remained represented on the Cabinet, some sort of restraint was imposed upon the belligerence of the Fighting Services. With the removal of Prince Konoye, all bars have seemingly been let down.

Both the Chinese and the foreigners hope for Japan's involvement with another Power, which would lead to a domestic upheaval and the subsequent release of Nippon's grip on China.

Tom Mooney Liberated After 22 Years in Prison

Tom Mooney, the world's most famous "class war" prisoner, who spent 22 years of his life in California's San Quentin prison following conviction on charges arising from the bombing of a San Francisco "Prepardeness Parade" in 1916, was pardoned by the newly-elected Democratic governor of California, Culbert Olson, on Jan. 7 and set at liberty.

Mooney was brought from San Quentin in a fast car for the pardon hearing, which was held in the Legislative Chamber before a large audience consisting mainly of Mooney's friends and those who consistently championed his fight for liberty throughout the long years of his incarceration.

Handing Mooney a "final and unconditional pardon," Governor Olson criticized five of his gubernatorial predecessors for failing to pardon the labor leader in view of the vast accumulation of evidence showing that Mooney had been framed up and railroaded to prison on perjured testimony at the instance of reactionary employers' associations who wanted him out of the way.

On receiving the pardon, Mooney said he would devote his remaining years to working for the liberation of Warren K. Billings, who was sent to prison at the same time, also in connection with the Preparedness Parade bombing, and to helping in the fight against the menace of fascism.

Mooney was originally sentenced to death, but was spared this fate when, at the time of the Bolshevik revolution, Petrograd workers demonstrated for his release. Through the then American ambassador to Russia, Mooney's case was brought to the attention of President Woodrow Wilson via the State Department. Wilson interceded with the California authorities and the death sentence was commuted to one of life imprisonment.

A dramatic sequel to Mooney's pardon occurred when Governor Olson, addressing a huge throng of 130,000 supporters, including friends of Mooney, collapsed under emotional stress and had to be rushed to hospital.

Whither Japan Under Premier Hiranuma?

THE NEW JAPANESE CABINET

Premier—Baron Kiichiro Hiranuma
Foreign Minister—Mr. Hachiro Arita
Home Minister—Marquis Koichi Kido
Finance Minister—Mr. Sotaro Ishiwatari
War Minister—Lieut.-Gen. Seishiro Itagaki
Navy Minister—Admiral Mitsumasa Yonai
Minister of Justice—Mr. Suehiko Shiono
Minister of Education—Gen. Baron Sadao Araki
Minister of Agriculture & Forestry—Mr. Yukio Sakurauchi
Minister of Railways—Mr. Yonezo Maeda
Minister of Overseas Affairs—Mr. Yoshiaki Hatta (serving concurrently)
Minister of Public Welfare—Mr. Tadahisa Hirose
Minister of Commerce & Industry—Mr. Yoshiaki Hatta
Minister of Communications—Mr. Suehiko Shiono (serving concurrently)
Minister Without Portfolio—Prince Ayamaro Konoye

SECONDARY CABINET POSTS:

Secretary-General—Mr. Harumichi Tanabe
Director, Cabinet Bureau of Legislation—Mr. Teizo Kurozaki
President, National Planning Board—Mr. Kazuo Aoki

WHILE events themselves will in due course demonstrate the full significance, for the Far East and the world generally, of the cabinet changes which resulted last week from the resignation of Prince Ayamaro Konoye and his government, the immediate cause of the shake-up and the results which the Japanese ruling classes anticipate from the installation of Baron Hiranuma as premier, are already fairly clear.

There can be little doubt that it was Prince Konoye's quite cautious "peace offer" to China, issued in his considered statement of policy on Dec. 22, and the disappointing results which followed, that precipitated the downfall of the cabinet. From the very beginning of the Sino-Japanese hostilities, it was Japan's hope that the National Government of China, wilting under successive military blows, would either collapse utterly or sue for peace at Japan's price.

After eighteen months of warfare, neither of these hopes have materialized or shown prospects of materializing. Meanwhile, the military effort which has had to be employed in the campaign to subdue China has subjected the entire fabric of Japan's national life to a strain which it is ill-equipped to bear. For some time now, alarming symptoms have been developing to show that Japan can continue her military campaign only at the grave risk of a complete collapse of her economic life, with all that may entail in the shape of social upheaval and revolution. The terrific burdens of the war have been unsparingly loaded onto the backs of the Japanese people. There is a limit to what people will bear in the way of hardship and deprivation. The Japanese people are no exception. If rumblings of revolt are not yet audible abroad, this is due only to the strict censorship exercized by Japan's semi-totalitarian government.

The defensive war waged by China has saddled equally grievous burdens on the people of this country. These burdens, rising from the destruction and disorganization of the nation's economic life, added to huge territorial losses, have bred a defeatist, capitulatory spirit among certain sections of the population. It is among the upper classes, mainly, that the defeatist mentality is strongest and it also found a reflection in certain circles of the Government and the Kuomintang. Wang Ching-wei became the leader of those elements desiring an early re-establishment of peace on the best terms available.

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KNOWLEDGE of this state of affairs, plus acute awareness of the mounting dangers on Japan's home front, led Prince Konoye to evolve a strategem calculated to gain Japan's major objectives in China without having to continue the costly military campaign. Whether the strategem was worked out in consultation with Wang Ching-wei or not, is largely immaterial. There are grounds for both assumptions.

At any rate, Konoye undoubtedly believed that his "peace offer" would crystallize peace sentiment in China, rally behind Wang Ching-wei all those elements, in and out of the government, which are not enthusiastic for the policy of prolonged resistance, and thus pave the way for a Japanese-dictated peace by causing a split in

New York Daily News

the government. Had the strategem succeeded, Wang Ching-wei would presumably have emerged as the real head of a "renovated" Chinese government, ready and willing to do Japan's bidding in all the main essentials. But the strategem did not succeed. Konoye overestimated the strength and political influence of the Chinese peace factions, and underestimated the extent to which Gen. Chiang Kai-shek—who believes that only continued resistance with Anglo-American support, leading to the weakening of Japan, can secure a favorable issue for China—still retains effective control of China's policies and the forces needed to back them up. Result: Wang Ching-wei, expelled from the Kuomintang and deprived of his posts, has become a political outcast, while the Konoye cabinet has been consigned to the graveyard of the numerous Japanese governments which collapsed under efforts to support and carry forward the swollen monster of imperial destiny.

The composition of the new cabinet, however, shows that the arch-imperialists who control Japan's

destiny are far from content to write off their country's war losses and place a bridle on their lust for conquest. Konoye's political strategem proved a boomerang? Then the war against China must be prosecuted with renewed vigor! Requisites for this are a cabinet more completely subservient to the military clique and the mobilization of the country's entire economic resources for what the new government frankly terms totalitarian war. The first need has been very largely fulfilled by the installation of Baron Kiichiro Hiranuma, a nationalist of the extreme type, as premier. In the previous government he held the post of president of the Privy Council, while back in 1923 he was minister of justice in the government of Admiral Yamamoto. Several years ago, he headed a fascist organiztaion known as the *Kokuhonsha*, credited with 400,000 members. His extreme nationalism and fanatical devotion to Japan's continental aims is apparently considered adequately to compensate for the fact that he is 73 years old.

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Retention of Hachiro Arita as foreign minister in the new government indicates that some continuity is desired there in view of the accumulation of complicated disputes between Japan and third powers over the China issue. Lieut.-Gen. Seishiro Itagaki remains war minister and Admiral Mitsumasa Yonai continues as head of the Navy Ministry. Retention of Gen. Baron Sadao Araki in the post of minister of education reveals the continued need to inspire the youth with patriotic sentiments.

Apart from the appointment of Hiranuma as premier, the most significant new appointment is that of Sotaro Ishiwatari as minister of finance. If the strain of war has borne down mainly on the bent shoulders of Japanese workers and peasants, petty shopkeepers, etc., the lords of industry and finance capital have their complaints, too. Moreover, having their fingers on the pulse of the national economic life, they have grown alarmed at the spreading proportions of a military campaign which started out as a mere "incident" but now begins to look like a yawning abyss into which Japan may plunge to her doom. In many ways they have shown their hesitancy to give unlimited support to the military clique, which, they realize, may well be the road to disaster and ruin in which the whole of Japan's ruling classes will be involved.

Through the ex-minister of finance, Mr. Seihin Ikeda, they exercised a restraining financial hand on the Konoye government. Their "enthusiasm" in helping to absorb globular issues of bonds to finance the war, possessed only the reality which paid government propagandists were able to ascribe to it. A change in the head of the finance ministry was therefore essential to securing an uninterrupted flow of war funds from the sources at which they are mainly concentrated—the coffers of finance capital. On Jan. 7, two days after the investiture of the new cabinet, a new issue of war bonds —Yen 400,000,000 worth, to be sold at Yen 98 and bearing interest at the rate of 3.5 per cent—was thrown on to the market. According to a Jan. 6 *Domei* message from Tokyo, the new finance minister is going to boost military expenditures, and tighten up the control of production as provided by the National Mobilization Law, all of the provisions of which have now been invoked. In a statement on Jan. 7, the finance minister declared, according to *Domei*, that "from an almost complete concentration upon the attainment of Japan's military objectives on the Asiatic continent, Japanese financial policies will in future pay increasing attention to the requirements of long-term rehabilitation in China." Creation of the New Order in East Asia, he asserted, "could be accomplished only by the coordinated economic development of Japan, Manchukuo and China, on the one hand, and the replenishment of armaments to cope with international developments, on the other."

The finance minister's statement is a tacit admission of Japan's urgent need to begin drawing substantial returns from her territorial conquests if her continental campaigning is not to come to a premature standstill for lack of the economic sinews of war, for it is manifest that Japan's weakened system cannot much longer bear the strain alone. In other words, every effort is to be concentrated to make China pay for her conquest by Japan.

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Statements of the policies to be pursued by the new government have indicated clearly enough that no changes in the aims of Imperial Japan are in contemplation. Premier Hiranuma announced after the first meeting of his cabinet on Jan. 5 that "Japan will concentrate her total national power on the attainment of the objectives of the sacred campaign in China in accordance with the policies already established . . . and we are determined not only to carry out those policies but to surmount every possible difficulty and to bring to completion all the programs already launched in connection with the campaign in China."

The new premier is fully aware of the magnitude of Japan's self-assumed task of building a "New Order in East Asia," and felt constrained to include in his policy statement the following: "Needless to say, our country is now faced with an unprecedentedly difficult situation, and though the surmounting of it is no easy task, I believe that we shall be able to tide the nation over it if we act in accordance with the august virtues of the Imperial Household and do full justice to our traditional national power with the cooperation of the government and the people." Unfortunately for Japanese imperialism, the august virtues of the Imperial Household will be found to have but slight specific gravity in determining the final outcome of the China adventure.

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War Minister Itagaki has left no room for doubt that the militarists intend henceforth to exercise unchallenged control over government policy. The same day the cabinet was being installed in office, he called on the premier to demand "complete adherence" by the new government to the terms of the statement made on Dec. 22 by the then premier, Ayamaro Konoye, and presented what *Domei* called a list of "wishes" which the Army desired fulfilled. These were:

1. Realization of the aims of the China campaign, in keeping with the decisions of the recent Imperial Council, coupled with a complete adherence to the terms of the Dec. 22 statement outlining Japan's policy for the settlement of its relations with China.
2. Expansion and replenishment of armaments in view of the critical situation in East Asia.
3. Strengthening of the ties uniting Japan to Italy and Germany.
4. Strengthening of the national mobilization program, with an increase in the powers of the National Planning Board.
5. Energetic expansion of the nation's productive capacity.
6. Heightening of national morale.
7. Promotion of trade.

In other words, the Army will be satisfied with nothing less than the reduction of China to colonial status as the vassal of Japan. But since Konoye's Dec. 22 statement envisages a possible "peace agreement" with the Chinese government, the Army, apparently, would be amenable to such a "peace" provided it is in accord with Japan's imperial aims. As if to offset any impression that the Army, by basing itself on the Konoye statement, is weakening in its determination, Itagaki issued a public statement saying that "the Army is determined to push on for the achievement of the objective of the sacred campaign in accordance with established policies."

Inclusion of Prince Konoye in the new cabinet as a minister without portfolio—the first time such a cabinet post has been created in Japan—was explained by the new premier in a statement to the press which could hardly have been considered very flattering by the ex-premier. The reason for his inclusion, said Premier Hiranuma, was to emphasize at home and abroad that the policies of the outgoing cabinet would be continued "in the main," for if the impression got abroad that the change of government meant a modification of Japan's policy, this could have "unfavorable consequences."

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Foreign comments on the governmental change in Japan, and the possible influence it might have on Japan's international relations followed lines that could have been anticipated. According to *United Press*, official circles in Washington held little hope that Japanese-American relations would improve under Baron Hiranuma's premiership. The New York *Herald-Tribune* said that the country's most reactionary nationalists had been brought into a position of supreme responsibility . . . "Much propaganda against the constitutional government of Japan—including acts of violence—can be traced directly and indirectly to Baron Kiichiro Hiranuma. The change simply brings Baron Hiranuma from the wings on to the stage . . . It looks as though the Japanese Army in China has needed the support from home which could not be procured without tramping on the toes and profits of the four or five huge family monopolies which finance Japan's adventures and cash in on her achievements."

Continuing, the paper said: "There has been precious little glory for Japan in this Chinese campaign so far, and if henceforth it is to be artificial glory without profits for Japan's big monopolistic patrons, how long will it last? Baron Hiranuma, in taking office, asserted the Nipponese spirit will conquer all, like it has forever. Baron Hiranuma may be backed by Chancellor Adolph Hitler and Premier Benito Mussolini, but it may be questioned whether Nippon is behind him."

The Birmingham (England) *Post* said: "The new Cabinet is prepared to back any and every bill, both at home and abroad, signed by soldiers and sailors. If Japan wins in China, a totalitarian Japan is certain; if Japan fails, the reaction will produce a socialist, or perhaps even a communist, Japan. It is not a nice choice for the democracies of the world."

Authorities in Germany, according to *Reuter*, were "extremely satisfied" with the composition of the new Japanese cabinet. Soviet circles in Moscow saw the reconstruction of the cabinet as "a victory of the fascist trend in Japan." The official *Tass* agency, quoted by *Transocean*, asserted that the Japanese army played a leading role in bringing about the resignation of Prince Konoye, "who was held responsible for the fact that Japan had not yet succeeded in crushing Chiang Kai-shek."

From the Chinese foreign office in Chungking came the comment that the new Japanese premier will pursue a stronger "anti-

Comintern policy" and will cast all odds in favor of an intensified military campaign, hoping to end the war in a short time.

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That the Japanese militarists see no hope of ending the war in a short time was indicated Jan. 7 by Lieut.-Gen. Tatsuhiko Takashima of the Army General Staff, who declared in a signed article that Japan is launched upon a "hundred years' war" that will ultimately result in the creation of a new world in keeping with the precepts of the Japanese "imperial way." The conflict in China has become "long-term warfare, as was to be expected," he asserted.

The new cabinet is working on plans for the establishment of a "National Defence Council" which will formulate a national defense policy through coordination of the actions of the Army and Navy authorities with regard to the international situation, with particular reference to the Soviet Union, Great Britain and the United States, *Domei* reported Jan. 8. The projected council, the agency said, would aim at the coordination of government policies toward Mongolia and North, Central and South China and would play an "indispensable part" in helping the Hiranuma cabinet formulate its basic policy, readjust defense requirements, and work out a fundamental plan for the economic life of the nation

Japan will soon reply to the American note of Dec. 31 and ask the United States to reconsider its attitude toward Far Eastern affairs, on the ground that non recognition on the part of Washington of the "New Order in East Asia" would be of "no avail" to America, the *Miyako Shimbun* said on Jan. 6. "The mission of Japan and the whole world," the paper declared, "should be eradication of the spirit of old treaties which are hampering the development of culture in East Asia."

The American note of Dec. 31 refused to admit the need or justification for one power to take upon itself the right to determine a "new order" in territory not under its sovereignty, or to consider itself a repository of authority and an agent of destiny with regard thereto.

Some significance was seen in the action of the State Department in granting furlough at this time to Mr. Joseph Clark Grew, American ambassador in Tokyo. Although Under-Secretary of State Sumner Welles said that Grew's trip back home was to be only a vacation, it is believed that he will be consulted in Washington on possible retaliatory measures to be taken by the United States against Japan because of the latter's discriminatory practices damaging American interests in China.

Wang Pursues Peace Aim, Attacks Former Reds

BY H. C. H.

WHILE official circles at Chungking regard the Wang Ching-wei incident as closed, it appears that Wang's intrigues are by o means at an end. In an effort to explain his "peace" move, Wang has made public through his agents, in Hongkong another statement, purporting to be a letter which he submitted to the Central Executive Committee and the National Defence Council on December 28 of last year.

The letter, among other things, claimed that Gen. Chiang Kai-shek had previous knowledge of his peace proposals and said that since both China and Japan realized each other's difficulties, peace was not an impossibility. Wang reiterated the view that in the statement of Prince Konoye on Dec. 22, he saw a change in Japan's attitude towards China and therefore an "opportunity to end the present war" by negotiation.

As in the case of his previous statement, Wang bitterly attacked the Chinese Communist Party. He said that with the exception of the communists and other malcontents, "who would like to see China doomed and the National Government and the Kuomintang overthrown," he could see "no proper reason why anybody should be opposed to an honorable peace," on the basis of the terms proposed in the Konoye statement.

In the opinion of Wang, assistance from Great Britain and France could only have the effect of putting China in a more favorable position to negotiate with Japan for peace, but it would by no means be sufficient to affect the actual outcome of the hostilities by enabling China to secure a decisive vistory. On the other hand, Wang asserted, Germany and Italy "will certainly not be reluctant to assist in the establishment of peace."

Press Ignores Plea

Wang's plea gained little hearing, for many newspapers in Hongkong, Shanghai and other places ignored the statement. All newspapers in Hongkong boycotted it, convinced that further publicity of Wang's utterances would be prejudicial to China's cause of resistance.

Authorities at Chungking are withholding comment on Wang's new message. It is not yet known whether any official comment will be made on it at all, since the National Government already clarified its views on New Year's Day, denouncing Wang's "peace movement" as illegal and completely violating Party discipline. Ever since the outbreak of the present hostilities, it is pointed out in Chungking, Wang has been a defeatist. His pessimistic attitude towards the future of Chinese resistance, as reflected in his statements issued from time to time, has aroused keen resentment among Chinese commanders in the field. Some of them are said to be demanding his arrest and execution.

On the other hand, Wang's overture was also strongly rejected by some Japanese. Official circles in Tokyo denied all reports of alleged co-operation between Japan and Wang. A spokesman of the Foreign Office stated that Wang was mistaken if he believed the Konoye statement of Dec. 22 to have been made under pressure of Japanese military difficultics in China. The spokesman added that Prince Konoye had wished only to express by his statement the principle of equality of rights of the Chinese and Japanese peoples and Japan's wish to remove the present difficulties in order to make possible a reorganization of East Asia.

To still the misgivings caused by Wang's "peace" proposals, the Central Publicity Department issued two statements, denouncing Wang for violating discipline and endangering the Party and the State, and reiterating the Government's determination to pursue the fixed national policy of con tinued resistance.

Political interest at Chungking now centers on the forthcoming 5th Plenary Session of the Kuomintang. Originally scheduled to take place on Dec. 15, the session will open on Jan. 20. It is expected that several important changes in the personnel of the Party Headquarters and the Government will be effected. Sun Fo, president of the Legislative Yuan and strong advocate of Sino-Soviet collaboration against Japanese aggression, is prominently mentioned as successor to Wang Ching-wei in the post of Deputy Chief Executive of the Kuomintang; and Yeh Chu-tsang, member of the Standing Committee of the C.E.C., as President of the People's Political Council, from which post Wang was recently dismissed. Shao Li-tzu, former director of the Central Publicity Department, will probably be re-appointed to this post, in succession to Chou Fu-hai, who fled with Wang to Hanoi. Pending appointment of a new director, Hsiao Tung-tzu, member of the C.E.C. and managing-director of the *Central News Agency*, is reported to have been appointed acting director of the Department.

Chiang Calls Conference

Meanwhile, General Chiang Kai-shek is reported to have summoned a conference at Chungking of the governors and high officials of the provinces of Szechwan, Kweichow and Yunnan. The chief subject of discussion at the conference, it is understood, will be the question of economic integration and unification of southwest China.

In an interview given at Chungking, Gen. Chiang declared that diplomatically and militarily, the situation this year was decidedly more favorable to China than it was last year. The Central authorities were determined to resist the Japanese to the very end. Gen. Chiang expressed the hope that overseas Chinese would continue to do their utmost to assist the government in prosecuting the war of prolonged resistance.

Despite all rumors to the contrary, Wang Ching-wei appears to be still "stuck" at Hanoi. According to the Japanese agency, *Domei*, which seems to be unusually well-informed on Wang's movements and activities, Wang first stayed in a hospital in Hanoi, but at the request of a high French official has now removed to a private Chinese house, said to be the residence of the late Gen. Chu Pei-teh. Surrounded by bodyguards and close associates, Wang has so far refused to receive any visitors.

Another Exile?

Chen Li-fu

Of special interest in Wang's entourage is the reported presence of Chen Li-fu, leader of the Rightist wing of the Kuomintang and Minister of Education. Chen Li-fu is the brother of Chen Kou-fu, formerly chairman of the Kiangsu Provincial Government. The two Chens were very influential in Kuomintang party affairs and headed what was generally known as the "C.C. Group." A later report from Chungking (*Reuters*, Jan. 11) denied the report that

Chen Li-fu had joined Wang, stating he was still in Chungking.

Chen Li-fu 'Disappears'

According to the *South China Daily News*, Wang's mouthpiece at Hongkong, Chen Li-fu suddenly disappeared from Chungking some time after Wang's flight. Chen was not present at the extraordinary session of the Kuomintang Central Executive Committee on Jan. 1, which decided to expel Wang from the Party.

Besides Chen, others who are sharing Wang's refuge at Hanoi include Chou Fu-hai, former Director of the Central Publicity Department, hitherto generally regarded as Gen. Chiang Kai-shek's "man," and Tseng Chung-min, former deputy secretary-general of the Central Political Council, generally nick-named "handbag" of Wang Ching-wei. Chen Kung-po, former Ministry of Industry and Special Commissioner to Germany and Italy (sent there by Wang shortly after the outbreak of the war), who flew from Chungking to Hanoi shortly after Wang's departure, has now gone to Hongkong. Chen said that he would proceed to Europe in the near future.

Other associates of Wang, such as Ku Meng-yu, Lin Pai-sheng and Mei Sze-ping are all in Hongkong. Ku is a well-known scholar. He was formerly dean of the College of Arts and Sciences of the Peking National University and one time Minister of Railways. In recent years, however, he was not active in politics and declined many posts offered him by the government. Lin Pai-sheng was until recently a member of the Legislative Yuan. He is now editor of the *South China Daily News*, and as Wang's chief publicity agent in Hongkong, he was responsible for the circulation of Wang's recent statements. Mei Szu-ping was formerly magistrate of the Kiang-Ning Experimental Administrative District in Nanking.

Contact With Japan

In Shanghai, Wang is said to be represented by Chu Ming-yi, his brother-in-law (Mrs. Wang and Mrs. Chu are sisters) and Kao Chung-wu, former director of the Asiatic Affairs Department of the Ministry of Foreign Affairs. Chu was reported to have gone to Hongkong, in view of numerous inquiries made by various circles in Shanghai concerning his activities. Kao, a Japanese returned student, is alleged to be now contacting the Japanese authorities on behalf of Wang in Shanghai.

Wang has practically no following among the rank-and-file of the Chinese Army. Formerly, he claimed the support of Gen. Chang Fah-kwei, the famous "Ironsides" commander, but the latter has been won over by Gen. Chiang Kai-shek.

Evidence that Wang Ching-wei had been intriguing with the Japanese for peace negotiations was provided on Jan. 5, when two Japanese planes flying over Shanghai dropped handbills containing the full text of Wang's telegram to Chungking, with his picture, and announcing that peace was being arranged between the Japanese Government and Wang Ching-wei. Other handbills purporting to be a joint plea for peace by Chinese envoys abroad were also dropped. The handbills alleged that Wellington Koo, Quo Tai-chi and Hu Shih, Chinese Ambassadors in Paris, London and Washington, respectively, had secretly wired to Chungking, asking the Government to sue for peace on four principles: (1) Give up Manchuria, (2) Demand retrocession of the foreign settlements and concessions, (3) Retain the name of the National Government as it is recognized all over the world, and (4) Early peace to prevent spread of communism in China and to save people from further sufferings.

Allegations Denied

The Japanese allegations were promptly and categorically denied by the three Chinese envoys concerned and characterized as "pure fabrication." A statement issued by the Chinese Embassy in London described the Japanese report as a "deliberate but clumsy attempt to mislead the public." The Chinese Embassy in Washington declared that no such action as alleged by the Japanese had ever been taken, while the Paris Embassy denied any knowledge of the peace moves and asserted that no communication had taken place between it and the Government.

Quo Tai-chi, Chinese Embassador at London, speaking at the British National Trade Union Club, declared that the determination of the Chinese people to fight to the bitter end until an equitable and lasting peace could be obtained had been strengthened. He said that the whole country was behind the leadership of Gen. Chiang Kai-shek. Japan's peace terms, Mr. Quo went on, were a fraudulent attempt to make China a vassal state. Until Japan changed the terms of her policy towards China, there was no alternative for China but to continue her resistance.

The important role played by Gen. Lung Yun, chairman of Yunnan province, in frustrating an attempted *coup d'etat* by Wang Ching-wei, was highly praised in official circles in Chungking. It was stated that Wang, in the course of a long conversation with Gen. Lung at Kunming, tried to persuade the latter to stage a revolt in Yunnan, so as to force the government to accept Wang's so-called peace proposal. Gen. Lung flatly rejected Wang's ideas and sent an urgent telegram to Gen. Chiang Kai-shek, informing him of Wang's attempt. Thanks to Gen. Lung's prompt action, Wang's plot collapsed and he had to flee to Hanoi to escape arrest.

Generals Condemn Wang

The expulsion of Wang Ching-wei from the Kuomintang was a very appropriate retort to his absurd peace proposal, declared Gen. Li Tsung-jen, well-known Kwangsi leader, when interviewed somewhere in northern Hupeh. Gen. Li said that he shared Gen. Chiang Kai-shek's determination to continue the war of resistance against the Japanese invasion and was confident of China's ultimate victory.

Gens. Chang Fa-Kwei, Yu Han-mou and other leading Kwangtung commanders jointly wired Gen. Chiang Kai-shek, urging that the National Government issue an order for the arrest of Wang Ching-wei. The message declared that Wang, in making his "preposterous" peace proposal, which virtually called for China's capitulation, was guilty of high treason and should be severely punished in accordance with law.

"Wang Ching-wei is crazy," was the comment made by Gen. Feng Yu-hsiang, vice-chairman of the Military Affairs Commission, when interviewed concerning the former Party leader's expulsion from the Kuomintang. In view of the gravity of Wang's offence, Gen. Feng said he regretted that the assassin's bullets had not been effective and fatal, when an attempt was made on Wang's life on Nov. 1, 1935.

Breaking his silence since his assumption of office as commnader-in-chief of Japanese Forces in North China, Gen. Gen Sugiyama declared in a New Year message that peace on the basis of the spiritual and cultural combination of Japan, Manchukuo and China, for the revival of East Asia, was the guiding principle of Japanese policy. Gen. Sugiyama denounced the Kuomintang and urged support of the new puppet regimes.

Puppet Mayor Surrounded

Fu Siao-en, "Mayor" of Japanese-occupied Shanghai, is said to be completely surrounded by his Japanese advisers and to have lost his freedom of movement These advisers are divided into two groups headed by Ishii and Nishida, respectively. The Ishii group is said to be closely connected with Fu, while the Nishida group is supporting Soo Hsi-wen, the former "Ta Tao" mayor and now secretary-general in Fu's office.

Kao Kwan-wu, puppet "Mayor" of Nanking, was attacked by a party of guerillas on New Year's eve, when passing by the Chung Shan gate. Kao, said to be seriously wounded, is now receiving treatment at Nanking.

Japanese attempts to organize Chinese labor in Shanghai through their puppet agents have met with failure, according to Chinese report Although the Social Affairs Bureau of the "Ta Tao" government has organized a so-called "Chinese Labor Benevolent Association," all the labor unions in the International Settlement and the French Concession have refused to participate in it.

It has been persistently reported from Hongkong that Eugene Chen, former minister of foreign affairs, might be reappointed to this post after the forthcoming 5th Plenary Session of the Central Executive Committee of the Kuomintang.

The 3rd meeting of the People's Political Council, which was originally scheduled to be convened this month, has been postponed till next month. The postponement has been necessitated by the recent dismissal of Wang Ching-wei from his concurrent post as president of the Council.

The Kwangtung Provincial Government has been removed from Lienhsien to Shaokwan, the southern terminus of the Canton-Hankow Railway, in northern Kwangtung. The new provincial government under the chairmanship of Gen. Li Han-huen held its first meeting on Jan. 5, at which Chang Yu-fu was appointed Mayor of Swatow.

For the purpose of promoting closer cooperation between the Kuomintang and the Communist Party in Shensi, the Shensi Provincial Party Headquarters will shortly establish a branch party headquarters at Yulin in northern Shensi.

New Appointments

Gen. Yu Hsueh-chung, former military commander in Manchuria, and Admiral Sheng Hung-lieh, former chairman of Shantung, have been appointed commander-in-chief and deputy commander-in-chief, respectively, of the Shantung Special War Zone. Gen. Lu Chung-lin, chairman of Hopei, was appointed Commander-in-Chief of the Hopei and Chahar Special War Area. Gen. Shih Yu-shan is slated for the post of chairman of Chahar and his troops have been ordered to march into that province.

In accordance with a petition of the North-Eastern Residents' Association, the National Government is considering the restoration of provincial administrations in the four north-eastern provinces of Liaoning, Kirin, Heilungkiang and Jehol.

Gen. Liu Wen-hui, chairman of the newly-created Hsikang Provincial Government, is seriously ill. Consequently, the first meeting of the provincial government, scheduled for Jan. 3, was postponed.

Gen. Wu Te-chen, former chairman of Kwangtung, arrived at Kweilin, Kwangsi capital, en route to Chungking to take up a new post in the Central Government.

The heads of all the important colleges and many masters of Oxford University have addressed a message to General Chiang Kai-shek, expressing their admiration for "the gallant resistance of the Chinese people against the enemies of their freedom." The message also advocates that all democracies should form a common front to stand by China in her present conflict with Japan.

Japanese Comments

Assistance given to the Chiang Kai-shek regime by England, America and France is no "decisive factor" in the China hostilities and it cannot affect Japan's "firm determination to build up a new order in East Asia," the Tokyo *Nichi-Nichi* declared

Jan. 10 in commenting on the peace appeal of Wang Ching-wei.

"The most significant and important part of Mr. Wang's open letter consists of the limit foreseen by him to the assistance from Great Britain, the United States and France," the journal declared. "There is an inseparable connection between Gen. Chiang's resistance and assistance from those three countries, which Gen. Chiang so boastfully exaggerated to his people. The crux of the question is the interpretation of Prince Ayamaro Konoye's statement of Dec. 22 by those 'far-sighted Chinese people' who share Japanese ideals and aspirations, and their reaction to it. The passage in Mr. Wang's open letter in which he said he could see no proper reason why any one should be opposed to honorable peace should be read with serious consideration not only by the Chinese people but third Powers too."

"Some months will be required to see the real effects of the message and open letter of Mr. Wang," the *Kokumin*, another leading newspaper, commented. "It is impossible to expect that the Chiang Kai-shek regime will make a volte-face with Mr. Wang's peace move, but there is no gainsaying that Chinese public opinion now is divided and the Chiang regime threatened with a split as a result of Mr. Wang's bold message and open letter.

"As regards the terms for peace suggested by Mr. Wang, they cannot be accepted by Japan as a basis for negotiations. A meeting point could be found regarding the questions of respect for the sovereignty and territorial integrity of China, conclusion of an anti-Comintern pact and economic co-operation. But it would be absolutely impossible to effect a complete and quick withdrawal of Japanese troops from China. Not a single Japanese soldier now in China would want to leave the continent until and unless real peace and order has been established."

Japanese Residents Fail to 'Buy Japanese'

Japanese residents in Hongkew are ignoring the officially-sponsored "Buy Japanese goods" drive launched some time ago, the *Tairiku Shimpo* complained this week. This was evidenced, according to the daily, by the fact that the Wing On and Sun Sun department stores on Nanking Road did a flourishing business with Japanese customers during the last ten days of 1938.

"Good Japanese money" has been incessantly flowing south across Soochow Creek, the paper declared. Profiteering and varying prices, not only in Hongkew stores and markets but also at cigarette stalls and small shops were cited as some of the reasons for the lack of Japanese compliance with official requests to "Buy Japanese." One Japanese resident was quoted by the paper as saying that economic conditions forced Nipponese residents to do their buying in the International Settlement and French Concession. "How can we buy Japanese goods at our own loss?" he asked.

Germany Commissions Her First Battleship

The *Scharnhorst*, first battleship built by Germany since the World War, was placed in commission Jan. 7 at Wilhelmshaven to the accompaniment of a well-staged ceremony attended by Chancellor Hitler. Launched on Oct. 3, 1936, the 26,000-ton vessel mounts nine 28-centimeter guns, twelve 15-centimeter guns, and an anti-aircraft battery of fourteen 10.5 and sixteen 3.7 centimeter guns. She also has two catapults serving four seaplanes. Her speed is 27 knots.

Martin Egan Dies at Age of 66

Martin Egan, well known in newspaper circles in the Far East a quarter of a century and more ago, died in New York on Dec. 7 after an illness of five years. He was 66 years old. For the past 25 years he has been a senior staff member of J. P. Morgan and Company, which firm he joined after resigning the position of editor and publisher of the *Manila Times*.

Egan entered journalism as a reporter on the *San Francisco Chronicle* and covered the Spanish-American War. He then joined the *Associated Press*, covered the Russo-Japanese War and opened the Tokyo bureau for the A. P. His most notable achievement was the covering and transmission of a 9,500 word dispatch on the siege of Port Arthur by the Japanese.

In 1927, year of the Nationalist Revolution, Egan returned to Japan and assisted in the preparation of a prospectus for a large Morgan loan to the South Manchuria Railway, a loan which never materialized due to the opposition of the Chinese Nationalists and also the Chinese leaders in Manchuria.

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Charles Merz, 45-years old, has been promoted to the editorship of *The New York Times* in succession to Dr. John H. Finley, who has been made Editor Emeritus, at the age of 75. Merz was born in Sandusky, Ohio, the son of a physician. He attended Yale where he edited the *Yale Record* and won Phi Beta Kappa. He first worked on *Harper's Weekly*, later *New Republic* and in the war served as first lieutenant in the Military Intelligence Section. After the war he became associate editor of the *New York World* where he served for 10 years until the sale of that paper to Scripps-Howard, when he joined *The Times*.

Tientsin Chamber Head Assassinated

Wang Chu-lin, 83-year-old president of the Tientsin Chamber of Commerce and known as a strong advocate of close economic relations between China and Japan, was assassinated in the French Concession at Tientsin, according to a recent *Transocean* message from Peiping. The killer escaped unidentified. A request for a thorough investigation and for the institution of a closer watch on anti-Japanese elements has been made to the Concession authorities by the Japanese consul-general in Tientsin, the message stated, adding that the tension concerning the foreign concessions, lately relaxed, has been heightened by the assassination.

French Said Planning Japan-Syria Trade Curb

French authorities are seeking to restrict Japan's trade with Syria, which is under French mandate, *Domei* reports. According to an official report received at the Osaka branch of the Government's Trade Bureau, says the agency, French officials are opposing the revision of the trade agreement between Japan and Syria, expiring on Jan. 29, on the ground that for the past two years commerce between the two countries has resulted in an unfavorable balance for Syria.

French authorities were also alleged to be bringing pressure to bear upon Syria to refuse continued recognition of the Japanese Trade Agent who was sent to Syria to promote commerce between the two countries, and also to refuse entry to Japanese traders.

The Most Important News Stories of 1938

According to a list of the 10 outstanding news stories of 1938, submitted to *Editor and Publisher* by *The Associated Press*, the fall of Hankow and Canton to Japan were listed in 5th place, being preceded by (1) Munich pact and succeeding developments; (2) Treatment of Jews in Germany and world repercussions; (3) Republican gains in U. S. November elections; (4) New England hurricane; (5) Fall of Hankow and Canton; (6) Douglas Corrigan's "wrong-way" flight to Europe; (7) Howard Hughes round-the world record-breaking flight; (8) Milwaukee railroad's "Olympian" wreck killing 46 people; (9) John Warde's death leap in New York and (10) Orson Welles' broadcast of invasion from Mars.

The *United Press* in its list of the 10 outstanding stories of 1938 did not include the fall of Hankow and Canton among the ten outstanding events, but recorded it as a notable happening. The Hearst *International News Service* did not list the fall of Hankow and Canton as outstanding events, but along with A. P. and U. P. listed the Sudeten crisis and Munich pact as the No. 1 notable news event of the year. The Nazi pogrom against the Jews which received 2nd position in the A. P. list was given 3rd position in the I. N. S. list and 4th position in the U. P. list.

Chungking Merchants Sell Japanese Goods

Despite the fact that Chungking is the center of numerous patriotic organizations, having among their tasks the enforcement of a strict boycott of Japanese merchandise, large quantities of Japanese goods, especially silks, clothing and fancy goods, have lately been dumped in China's provisional capital, according to a report from a Chinese correspondent.

Merchants, the report states, are buying Japanese goods, changing the trademarks, and placing the articles on sale in the guise of Chinese-made products. Discovery of this practise has led to public protest and the government has been asked to take energetic measures to halt the trade in enemy contraband.

Favorable Trade Balance Claimed by Japan

Japan's foreign trade in 1938 totalled Yen 5,732,916,000, with exports valued at Yen 2,896,707,000 and imports at Yen 2,836,209,000, leaving a favorable balance of Yen 60,498,000, according to figures released by the Ministry of Finance. In 1937 foreign trade totalled Yen 1,540,630,000. Exports were valued at Yen 422,113,000 and imports at Yen 1,118,517,000, resulting in an adverse balance of Yen 635,906,000.

Manchukuo Has Huge Adverse Trade Balance

Manchukuo's adverse trade balance for 1938 would amount to approximately Yen 560,000,000 for 1938, according to a *Chugai* (Tokyo) report. This figure is more than double that of 1937, when the adverse balance was in the region of Yen 250,000,000.

Small Pox Threatens Japanese Community

Reasserting itself on Monday, when four new cases broke out within a single day among the local Japanese community, the menace of small-pox has again made itself felt in Eastern Shanghai, the *Tairiku Shimpo* reports.

Japanese War Planes Raid China's Provisional Capital for Fifth Time

WHAT *Domei* described as the fifth air raid on Chungking, China's provisional capital, was carried out Jan. 10 by Japanese army airplanes comprising 12 units. Taking off from an undisclosed base in the early morning, the raiding force reached Chungking despite heavy fog in the region of the Upper Yangtsze, the agency said, and succeeded in causing "heavy damage" to military establishments by their accurate bombing.

A *Reuter* dispatch from Chungking said that 18 bombers arrived in two squadrons, one from the southeast and the other from the northeast. The raiders dropped no bombs within the city limits, but unloaded their death-dealing cargoes on nearby villages. Total casualties were officially given as one woman and one small girl wounded. *Domei* reported a previous Japanese air-raid on Chungking on Jan. 7, but this was not confirmed.

Japanese airplanes dropped six bombs on Shekki on the West River, about 20 kilometers south of Canton, on Jan. 9, according to a *Reuter* report from Macao, completely wrecking the town's electricity plant. Chinese sources reported that Hengyang (Hengchow), important railway and highway junction in southern Hunan, was bombed by Japanese planes on Jan. 8, more than 30 bombs being dropped. Five bombs were dropped the same day on Siangyang, important city in northern Hupeh.

Town Said Recaptured

Tsangshing, strategic city north of Sheklung, in the East River region of Kwangtung, was recaptured by Chinese forces at the end of last week, according to Chinese reports. The victorious Chinese troops, it was stated, are now concentrating their efforts on the recapture of Sheklung as part of preparations for the launching of a general offensive on both the northern and southern sections of the Canton-Hankow Railway. According to a *Wen Hui Pao* report from Hongkong, Gen. Pai Chung-hsi, director of the generalissimo's provisional headquarters for the Southwest, has gone to Hengyang for a conference which will work out details of the offensive on the various fronts.

A report in the local *Tairiku Shimpo* told of an attempt by the 63rd Chinese Division to recapture Hangchow, Chekiang capital, on New Year's Day, thus, according to the paper, spoiling the festivities in which the Japanese garrison had been hoping to indulge.

The bulk of the 63rd Division, it was reported, effected a crossing of the Chientang River near Liangka Bridge, 15 kilometers southwest of Hangchow, and converged with another unit coming up from Chowkia, between Hangchow and Fuyang. At the same time, other Chinese troops swooped down from the southwest, deploying to the west of Hangchow, which was almost cut off by the maneuver. A sanguinary engagement was said to have ensued, resulting in a rout for the Chinese forces, who finally fled leaving behind more than 200 dead and a number of rifles, much ammunition, and some machine-guns, the Japanese daily said.

A *Domei* dispatch from Taiyuan Jan. 10 claimed that Japanese troops had engaged in 361 battles with 70,000 Chinese in a 20-day campaign from Dec. 1 to 20 in Shansi province, the Chinese forces suffering 7,800 casualties.

Guerilla Bureau Formed

A Central Guerilla Warfare Bureau, with Gen. Chiang Kai-shek as director and Gen. Li Chi-sen as deputy director, has now been organized, according to the *Shun Pao*. The Bureau, it is stated, will have a branch in each province and a sub-branch in each district. Its main functions are to be the training of guerilla units and the heightening of public morale.

Japanese army engineers working on the Peiping-Hankow Railway tunnel at Wushenkwan, northernmost station in Hupeh province, blasted open the debris-choked entrance last Saturday, according to the *Tairiku Shimpo*. The entrance had been blocked by retreating Chinese troops. With the opening of the tunnel, which is 320 meters in length, resumption of through railway traffic between Peiping and Hankow was brought nearer realization, the daily stated.

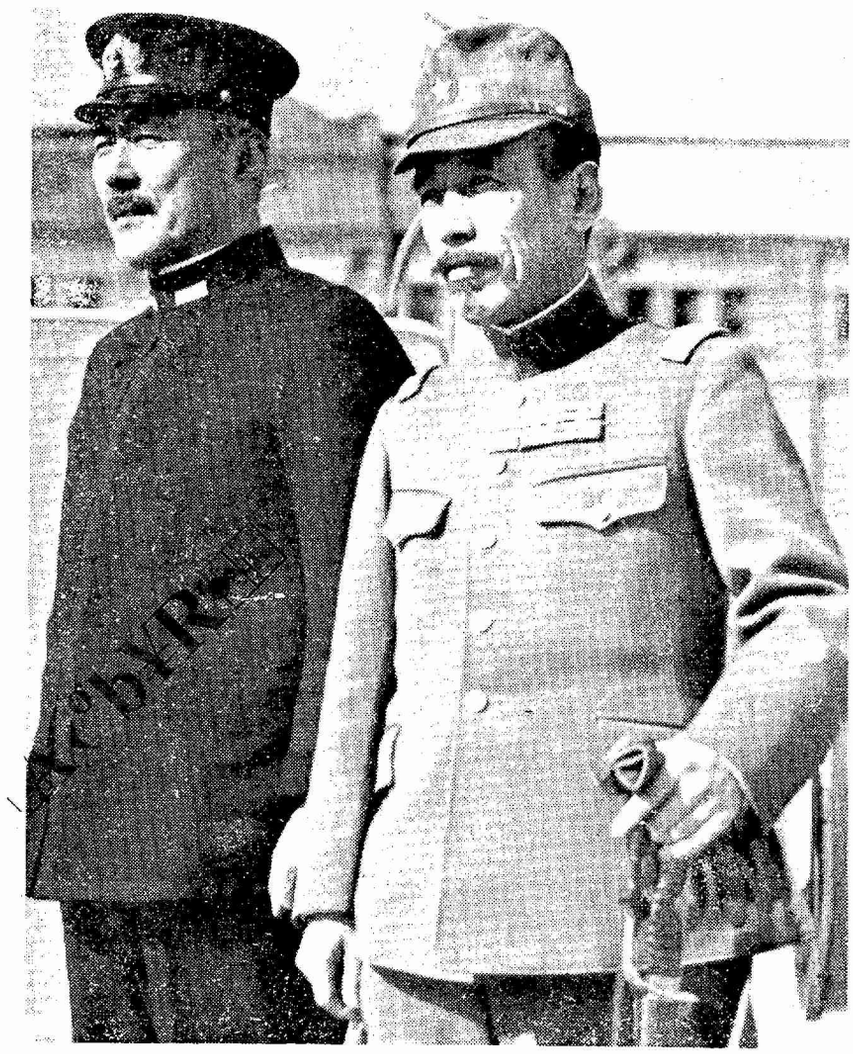
Through railway traffic between Kweilin, capital of Kwangsi province, and Kinhua, temporary seat of the Chekiang Provincial Government, was inaugurated Jan. 9, according to a *Kuo Min* dispatch from Chungking. The two cities are linked together by four railways: the Chekiang-Kiangsi Railway, the Pingsiang-Chuchow Railway, the Canton-Hankow Railway and the Hunan-Kwangsi Railway.

Puppet Appeal

Asserting that their own fate as well as those of the 12 Chinese provinces, now partially or completely under Japanese domination, depended upon their action at this time, Mr. Wen Tsung-yao, president of the Legislative Council of the Reformed Government of Nanking, issued a lengthy appeal to the people of the nine provinces still under the control of the National Government on Tuesday of this week.

He urged the conclusion of an agreement with Japan on the basis of the three points outlined by Prince Ayamaro Konoye, former Japanese premier, on Dec. 22. The responsibility for signing this agreement rested upon the people of the nine provinces still controlled by the regime of Gen. Chiang Kai-shek, he said, because "only thus can the agreement secure the confidence of the whole nation." The nine provinces referred to by Mr. Wen were Szechwan, Kwangsi, Yunnan, Kweichow, Hunan, Fukien, Shensi, Kansu and Sinkiang.

Commands Central China Forces



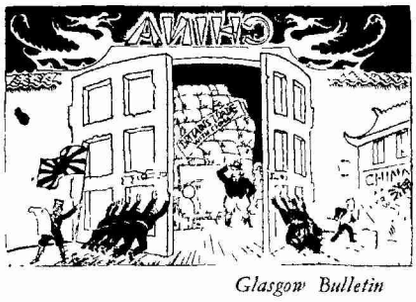
Lieut.-Gen. Otozo Yamada, commander-in-chief of the Japanese Expeditionary Forces in Central China, and Vice-Admiral Koshiro Oikawa, commander-in-chief of the Japanese China Seas Fleet. Lieut.-Gen. Yamada recently replaced Gen. Shunroku Hata on the Central China front.

A Survey of American Editorial Opinion on U.S. Far Eastern Policy

BY EARL LEAF

JAPAN'S recent repudiation of her treaty obligations in the Far East and her slamming of the Open Door in the face of Uncle Sam has unloosed a torrent of indignant editorial comment in the American press. Within a period of one week, editorials and comments on this subject appeared in at least seven hundred newspapers throughout the land—and this at the precise time of the anti-Jewish riots in Germany when the Far East might have been forgotten easily. Editors, however, could not and did not overlook the Japanese menace to our freedom and trade.

An analysis of these seven hundred editorials provides a highly significant picture of American sentiment at this critical juncture in Japanese-American relations, a



Glasgow Bulletin

picture which no longer can be ignored in Washington—or in Tokyo—as the temper of public opinion is definitely rising against the high-handed actions of the Japanese militarists who now control the land of the Rising Sun.

War against Japan? No, that is ruled out unanimously. But there are intermediate steps which can be taken to bring Japan to her senses, and American editors either demand them or are resigned to them as the inevitable consequence of Japan's discrimination against American trade and closing of the Open Door to all Western nations in contravention of existing treaties. It means more than the mere repudiation of a treaty; it means "a definitely hostile act," the Nashville (Tenn.) Banner points out, which can "no longer be met through hat-in-hand approach by timid souls," the Nashville (Tenn.) Tennesseean adds.

Strong, United Support

Insofar as the nation's press represents public opinion on foreign affairs, President Roosevelt and Secretary of State Cordell Hull already have the "strong and united support" of the American people for a policy of ceasing economic support for aggressors and for aiding the victims of aggression, not only because of sympathy for victims of pogroms and mass slaughter but for reasons of enlightened self-interest.

Mr. Hull's note of October 6 hinting at trade reprisals against Japan was hailed by editors who saw in this an indication that this country would cease its aimless drifting and put a strong hand on the wheel of foreign policy.

Types of reprisals most often mentioned were: an embargo of munitions and war supplies to Japan, retaliatory trade restrictions against Japan (ranging from a complete embargo on trade with Japan, *i.e.*, a trade war, to enforcement of section 338 of the Tariff Act withdrawing the most-favored-nation commercial privileges from Japan); intensification of the people's boycott against Japanese goods; definite aid to China in her fight for freedom and democracy.

The metropolitan dailies commented frequently and ponderously on the Far Eastern issues at stake but when their editorials are analyzed line by line, it is seen that they say very little. They review the history of the Open Door, for example, and end with some pontifical conclusion such as, "This obviously is one of those ideals and principles of the past which Japan now considers inapplicable" (N. Y. Sun); or "The armed bandit's right to the goods of the peaceful wayfarer is superior to the law-abiding man's right to keep them, unless and until he produces weapons superior to the bandit's and takes them back" (N. Y. Herald-Tribune); or "Is not 'Japan's' warning tantamount to a declaration of economic war against the rest of the world?" (N. Y. Times).

End to Notes

Perhaps there is something "between the lines" in the editorials of the metropolitan press but the rank and file newspaper of America makes its message clear and unmistakable. The message they carry is that the time for name-calling and note-passing is finished and the time has come when our Government must use its moral, diplomatic and economic power to salvage its commercial rights in China, to bring the Sino-Japanese war to an early conclusion with China still a free and independent nation, and to stop boosting Japan into a position where she can dominate and domineer the whole Pacific, including the United States.

"Let there be an end to this eternal exchange of notes!" is the cry. "If we don't intend doing anything more than complain we would appear to much greater advantage saying nothing," the Wheeling Intelligencer says. "Protests, unsupported by force, are of small concern to a militaristic dictatorship whose dream is the domination of the Far East," echoes the New Bedford (Mass.) Mercury. "Nothing will ever be won until the protest notes are backed up by suitable action," the Shreveport (La.) Journal points out. The present Japanese-American political situation "requires consistent firmness in Washington," says the Dallas (Tex.) News, because "if the rule of law is ever to be restored to earth as a fact," as Chester Rowell explains in the San Francisco Chronicle, "we dare not surrender it as a principle now."

"What we need now is some sturdy administration of our international affairs," declares the Janesville (Wisc.) Gazette. "The only thing to do with Japan is to mark her off the map . . . It is about time to put a stop to this 'Japanese import trade' and set to work thousands of our young people making what we get from the underpaid and miserable labor of Japan . . . We may forget the Open Door, because we are obliged to, but we can also forget Japan."

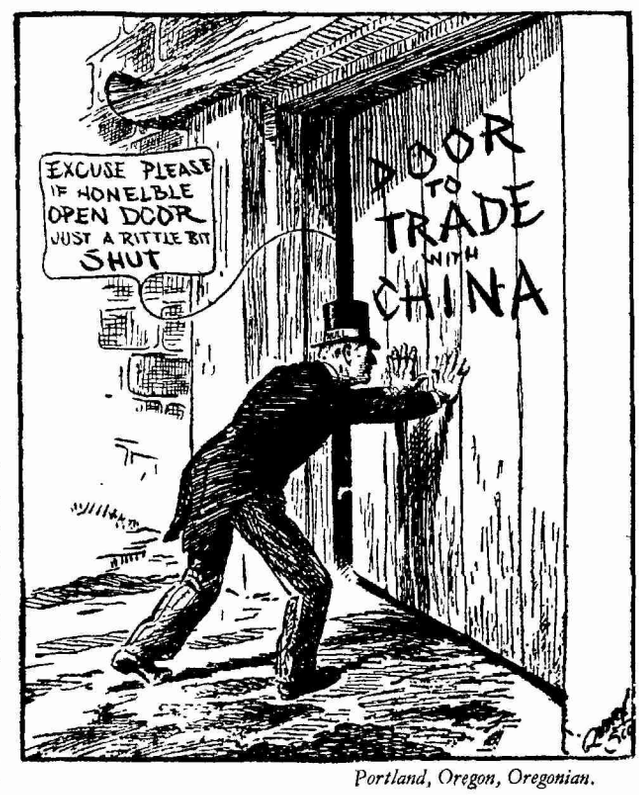
Munitions Embargo

What to do? Stop selling Japan the munitions with which to conquer and destroy China. "Is it not hypocritical to issue high-sounding pronouncements against Japanese aggression and at the same time sell enormous amounts of material to Japan to carry on that aggression?" asks the Tacoma (Wash.) News-Tribune. "We have lost the incalculable opportunities for the future that could have been expected from a revitalized, modernized China leagued with us in a friendly trade," says the Conneaut (O.) News-Herald in an editorial that also appeared in a score of other mid-west newspapers. "We lost it largely by our own short-sightedness in selling to Japan most of the gasoline, steel and other materials with which she has won her undeclared war. For transient millions we have given future billions." With American munitions we have helped build up an imperialism that, if consolidated and developed, "may front us across the Pacific for centuries," warns the Holland (Mich.) Sentinel.

America might as well take its share of the blame, comments the Huntsville (Ala.) Times, as "the aggression and the evil initiative were Japan's, but the means of death, destruction and conquest were largely ours. We took advantage of the fiction of an undeclared war to sell supplies and munitions impartially to both sides, but we sold mostly to Japan, because the aggressor had more money and credit than the defender. So we Americans may now take what satisfaction we can in the victory. It is Dead Sea fruit."

The Washington (Pa.) Reporter takes the Administration to task for ignoring the "sentiment of a large majority of our people" who "object to the sale of war material to Japan to be used in the conquest of China. In addition to supplying munitions to Japan which have been used in part to destroy American property and the lives of women and children in China, we have put ourselves

Can He Keep It Open?



Portland, Oregon, Oregonian.

in the position in which the cocky Japanese can tell us to get out and stay out." According to the New York Post, "There's no use kidding ourselves. One of the principal reasons we are abut to enlarge our army and navy is to strengthen ourselves against Japan. Why, at the same time, strengthen Japan by helping her to conquer China? Why hurt our own arms program by selling Japan materials we need for our own army and navy?"

"This particular horse 'our trade in China' is stolen," says the Norwich (Conn.) Record in a syndicated editorial printed by many other newspapers, "but we might stop now selling munitions and thus save what livestock remains in the barn."

"Is it not foolish to supply with munitions a country which has declared that its victory will result in the end of Occidental influence in the Far East?" the Lowell (Mass.) Citizen inquires.

Economic Reprisals

Secretary of State Cordell Hull's hints of economic retaliation against Japan's discrimination against American trade in China is widely approved by editors. They point out that economic strife compels some sacrifice on the part of certain American interests doing business with Japan but declare we must be ready to make such sacrifices if we are to save future billions of dollars of trade in the Orient and preserve our dignity and safety on the Pacific.

"America's interest is more than merely the material concern of protecting established channels of trade which are profitable to this country," keynotes the Butte (Mont.) Standard. "If America is to contribute anything to the pacification of the world, if the aggressor is to be made to suffer for his aggressions, if the word and pledges of nations are to be redeemed in the future, America must challenge and take exception to Japan's course in China . . . Japan's rule of East Asia is based upon broken pledges and violation of her word. She is undertaking to reap the rewards of unjustified aggression . . . It is an illustration of the utter impossibility of maintaining a family of nations in the world without punishment for those which refuse to play the rules. The punishment, of course, will not be of a military nature, but it means bitter economic strife."

"Any serious impairment of normal trade with Japan would hurt many interests in this country," says the Newark (N. J.) Star Eagle realistically, "but it would not hurt this country as a whole nearly so badly as it would hurt Japan." The Detroit (Mich.) Free Press also points out that a trade embargo would hurt America but "Japan would suffer most," and adds that even an embargo on silk alone would cause a political upheaval in Japan. On the other hand, the Vancouver (Wash.) Columbian takes the view that "it would not hurt this nation one whit to cut off every bit of trade with Japan. It might hurt certain industries on the Pacific Coast from which Japan purchases heavily and certain scattered interests over the land. But all in all America would find itself much better off if the product of cheap labor of the Oriental countries were cut off. The American domestic market is still America's greatest asset. Yes, America holds the club in the argument. Happily the State Department seems to have a thorough realization of this fact."

The United States News in Washington points to the fact that "the Government could put teeth in its trade curb protest by denouncing its 1911 trade agreement with Japan and thus deny Japan's exports most-favored-nation treatment at American ports." The Hornell (N. Y.) Tribune stands alone in the United States with the view that American reprisals against Japan would not cripple Japan's economy and they need not worry.

Economic action against Japan is our "ace in the hole," says the Topeka (Kans.) Journal which, however, wonders if we have saved our ace so long that Japan has had time to strengthen her hand until now she is in a position to take "practical measures." In any case, "we must be prepared to decide very shortly whether to accept final defeat in the Far East or take risks to defend our position there," declares the Cincinnati (O.) Enquirer, while the Bridgeton (N. J.) News points out that "the Western powers will have to resort to something stronger than diplomacy to keep from being kicked out of China."

"There is no question of the use of armed force," the Oskaloosa (Ia.) Herald reiterates, "But the United States has vast economic resources that can be put behind efforts to maintain international decency in Asia . . ."

In the munitions center of Wilmington, Del., the News predicts that the United States "might denounce her commercial treaty with Japan, and then put Japan on the blacklist along with Germany . . . . Very probably some such step will be taken if Japan is intransigent." In any case, Mr. Hull's note "will serve to acquaint American citizens with the facts, and cause them to prepare for eventualities which may come later," the Frederick (Okla.) Leader says.

Is Japan bluffing when she threatens this country with a trade war if we insist upon maintenance of the Open Door policy in China? Japan figures that the 'democratic countries' will not exert any force to protect their interests in the Far East," according to the Phoenix (Ariz.) Republic. "So far there is nothing to contravert that belief . . . Japan, however, may be using false psychology in thinking these countries will do nothing." The Huntington (W. Va.) Advertiser believes "it is improbable that the Japanese are ready to sever all relations with the rest of the world or that they can bluff the other powers into accepting her conquest of China in her undeclared war. Japan is in no position to flout world opinion, nor can she afford to take the risk of losing vital trade contacts at a time when her economic system is under the heaviest strain since she became a world power." In the same city, the Herald-Dispatch holds that "Japan, with an uncalculated burden of war on its shoulders, seems in poor position to rush into 'practical retaliatory measures,' measures which might invoke an overnight embargo on silk." The Duluth (Minn.) Herald, pointing to Japan's "conceited" idea that she can drive America out of China, says "they may be undertaking a bigger job than they are capable of carrying out."

Boycott a Lesser Evil

On the other hand, the Grand Rapids (Mich.) Herald thinks that "all this sort of thing leads to disputes, to hard feelings and not unlikely to war at some future date." The Scranton (Pa.) Times echoes this sentiment, saying that "boycott is a lesser evil (than war) but has in it the seeds of war as well as economic chaos that will hurt the boycotters as well as Japan."

From the standpoint of self-interest, the textile states in New England and other industrial regions whose products must compete with Japan's cheap goods might be expected to favor a trade embargo against all Japanese goods, but what of the Southern states which would suffer most from reprisals by Japan?

"The disputes in which the United States is the leading figure can easily have grave consequences. Whether it will or not depends in a large measure on how confident Japan may be and how well it is equipped to resist economic reprisals," the Nashville Tennesseean declares. "For all the Western treaty powers . . . the issue is going to be a test of courage and sincerity. No challenge to domineering totalitarianism can be successfully made through a hat-in-hand approach by timid souls." In the same city, the Banner warns its readers that "Japan will recede from its present insolent position only as failure to frighten collaboration in the 1922 treaty forces recession. In this matter, practically everything depends upon the tenor of approach by those nations principally involved."

In contrast, the Atlanta (Ga.) Constitution hopes that America will remain strictly isolationist and believes that Japan's goal of "Asia for the Asiatics is intrinsically no more unreasonable than the oft-repeated American slogan of America for Americans." The two newspapers in Columbia, S. C., hold similar views. "What America could expect to accomplish by such an effort (economic action) would be simply to add to international ill will," says the Record. And it is "too big a job for Uncle Sam to compel other

"Remember The Panay"

Christmas party for Shanghai children given by the recently formed U.S.S. Panay Memorial Association, which was fostered by the American World War Veterans of Shanghai. Aside from a few children of deceased American veterans, the remainder were from Miss Maud Truxton Henderson's Faith Mission and from St. Joseph's Orphanage.

nations to abide by the treaties they sign," in the opinion of the State. Many other southern newspapers, however, see beyond the moment into the future of the Pacific. "The Japanese announcement of their objectives in the Sino-Japanese War, says the Augusta (Ga.) Chronicle, "should be an incentive to the slumbering democracies to shake off their lethargy and take steps to salvage their dwindling prestige." The Savannah (Ga.) News says," It is hard to see how the Japanese could stand up under determined economic pressure by this country and the European states having large commercial stakes in China. . . . Power politics is not always played with guns."

Dallas, Tex., a shipping port for southern cotton and gulf oil, might suffer economically from sanctions against Japan but the Dallas News strikes a bold note in an editorial which weighs the situation carefully yet does not pull its punches.

Severe Methods

"It is pretty certain that if the right tactics are used at the right time, America can force Japan to abandon this unfair attitude without involving this country in war. But, with Japan taking a disdainful view of democracies, severe methods will have to be used to induce her to keep China's trade door open. These efforts might possibly involve a temporary cessation of trade relations between the United States and Japan. Because Japan is a larger customer of American trade than we are of Japanese trade, cotton growers and exporters would suffer from an embargo on all trade with Japan, and there would be some loss to other industries, including oil. But if joint action could be taken, with at least England and Australia joining this country, Japan might be brought to terms quickly and without much stoppage of trade. Japan will not listen to reason, but she knows better than to sacrifice her oceanic trade for the sake of a dubious monopoly in China."

"American trade in China is perhaps not worth going to war about," says the Galveston (Tex.) News. "But the habit of yielding to the threat of force has encouraged aggression whose results have so strengthened the aggressors that further concessions for the sake of peace imperil the very existence of peace-loving nations." And the Tifton (Ga.) Gazette takes the realistic viewpoint that "we cannot expect Japan to let us have our share of Chinese business; American business must fight for it."

Other southern newspapers serving similar warnings to over-confident Japan are the Lubbock (Tex.) Journal, Anderson (S. C.) Independent, High Point (N. C.) Enterprise and Charlotte (S. C.) News.

Other Policies

Talk of American loans or large-scale business credits to Japan for "rehabilitation" or "industrialization" of a conquered China receives the condemnation of the nation's press. Revision of the Neutrality Act granting the President discretionary powers to enforce an embargo on aggressors is supported. Rearmament is imperative, editors believe, because the United States must be in a position to defend the western hemisphere from invasion—which editors fear is possible if the present trend of international affairs continues.

American aid to China is supported by many newspaper editors who think, like the Greenville (S. C.) News, that "if the Occidental nations, now being clearly informed of the Japanese purpose, are not willing to acquiesce in it, their only effective course, short of war with Japan, would seem to be to give Chiang all the assistance possible in his effort to maintain the supremacy of a genuine Chinese Government in China." In the same vein, the Asheboro (N. C.) Courier holds that "foreign interests, finding their trade throttled in China as it has been in Manchukuo, may give greater aid, even if indirectly, to China to prevent the loss of their valuable concessions and business in the Orient. China sorely needs that aid, and may not be able to survive without it."

Some editors believe that Japan is pursuing a course in China that will lead to ruin even without any economic action or moral pressure by the United States. A syndicated editorial published in many midwest farm papers asks whether "the time is not far off when the Japanese adventure collapses of its own weight." If the Japanese are going about their program in China the right way, "then all the lessons of history are in vain," says another widely syndicated editorial. Whether the Japanese can put over their program "is another question," says the Wooster (O.) Record. "They must first beat the Chinese."

Questions

The question type of editorial is being used widely by editors as, for example, when the Lincoln (Neb.) Morning Journal, asks, "What does the United States propose to do? . . . Does it propose to use force to interfere with Japanese plans? Or does it propose to make a 'Chamberlain settlement with fascist Japan, granting concessions to that country at China's expense in the effort to preserve peace? The public is interested. It has some opinions of its own on these questions." Another example of this frequent type of editorial is published by the Athens (Tenn.) Athenian: "What will we do about it? Just accept the situation with a few protests and let it ride at that—that is about all we can do in the light of what we have permitted the Japs to get by with."

Many editorial writers failed to express an opinion on embargoes, trade reprisals and other forms of economic pressure against Japan. They considered no alternative to complete submission to Japan or war with Japan and, of course, they prefer submission, commenting with bitter cynicism that "we have sold our economic birthright in China for a mess of Japanese munitions money."

Of the seven hundred editorials studied in this survey only ten were opposed to any form of economic action to preserve our rights on the Pacific. The Hartford (Conn.) Courant goes so far as to oppose the Stimson Doctrine of Non-Recognition, believing it will lead to invasion of our shores. The Atlanta (Ga.) Constitution cannot understand America's resentment against Japan's actions toward the United States. The Worcester (O.) Gazette believes that a trade boycott "might be justified on narrow technical grounds, but would be based upon unsound motives, and it would come so late that it would provide merely another example of practical futility," while the Detroit (Mich.) News says "we would be reluctant to be very belligerent to please a few corporations engaged in the China trade." The Great Falls (Mont.) Tribune says "if we want to back up our ideas, we must do it with force, and the people of this nation are not ready for such an adventure." The Bridgeport (Conn.) Telegram fears that even for the United States to insist upon the Open Door "is merely to invite the ultimate collision." The Helena (Mont.) Independent is afraid that a munitions embargo to Japan "would be almost equivalent to starting war with Japan.

Ten Versus 700!

Ten opposition editorials out of seven hundred! If the Secretary of State wants support for the strong policies he has often outlined in speeches, he can scarcely ask for a more united support than that. If he wants public expression of opinion for or against a policy of protecting American lives, property and free trade in the Orient and of protecting our future on the Pacific, American newspaper editors are giving it to him. If he wants to know whether the public is ready to make some sacrifice in trade to bring Japan to its senses, he has the answer. It is more than passive acceptance of an outlined policy; it is a call for leadership in Washington.

"We have not worked out a world policy and until we do all we can contribute to the chaotic conditions are compromise measures, little calculated to restore confidence," the Streator (Ill.) Times-Press complains. "If we had a world plan and the courage to put it over, that would be different."

"Our Far Eastern policy demands, therefore, immediate and positive re-drafting," the Freeport (Ill.) Standard pleads. "Whatever we do, anything will be better than drifting, which means letting the adverse tides carry us nearer and nearer to trouble. For we must take note of the fact that the strength of Japan and Germany and Italy lies in the fact they do not drift. They steer!"

"Secretary Hull does well to point out our viewpoints to the Tokyo opportunists in unmistakable terms," concludes the Butte (Mont.) Post. "It is high time that a halt be called to the constantly increasing encroachments upon American rights in the Far East."

Japanese Official Kidnapped Near Hanoi

Japanese consular authorities in Hanoi are concerned over the safety of Mr. Kensaku Shiomi, chancellor of the Japanese Consulate in Hanoi, who was kidnapped by Chinese troops Dec. 29. While on a tour along the border of French Indo-China and Kwangsi, Mr. Shiomi was abducted by 30 armed Chinese soldiers. He has been missing since. The kidnapping was reported at once to the French authorities who are assisting the Japanese Consulate in attempts to rescue Mr. Shiomi. It is feared that he might have been taken to Lungchow or farther away.

$100,000 is Raised by Refugee Association

Upwards of $100,000 was raised by the Shanghai Refugee Relief Association during its one-week radio appeal for funds to maintain nearly 100,000 inmates of the city's refugee camps, a representative of the Association stated last week. In a radio address thanking the public for their support, Mr. Liu Chung-ying, executive secretary of the Association, urged residents who had not yet made pledges to the Association to do so in view of the dire need of the war victims. It is estimated that $2 will supply rations for a refugee for one month.

British Skipper Fined in Japan

John Well, captain of the *Hannah Moller* British freighter, this week paid a fine of Yen 2,000 for violation of Japan's Military Secrets Act because his vessel entered the fortified zone of Tsugaru Strait, according to a *Domei* message from Muroran in the Hokkaido.

Chungking Moves to Appoint Circuit Judges

A decision by the National Government to appoint circuit judges for the hearing of actions by Chinese litigants in numerous districts deserted by officials or threatened by Japanese military occupation, was reported this week. Regulations governing the appointment and judicial powers of the new circuit judges are said to have been promulgated by the Ministry of Justice in Chungking, and applications will be received for the new posts from citizens who are well educated and who understand the practice of law.

Roosevelt Denounces Aggressors, Urges Democratic United Front

A ringing denunciation of dictatorship as incompatible with the American way of life, and a renewed pledge that his Administration would pursue policies designed to preserve and strengthen democracy in the United States, were the outstanding features of the address delivered before Congress at the opening of the new session in Washington on Jan. 4.

"Dictatorship," the President asserted, "involves costs which the American people will never pay. It involves the cost of our spiritual values and the blessed right of being able to say what we please, the cost of freedom, the cost of our capital being confiscated, the cost of being cast into concentration camps and of being afraid to walk down the streets with the wrong neighbor, also the cost of having children brought up, not as free human beings, but molded and made by a machine. If the avoidance of these costs means taxes on my own income or duties on my estate, I would bear those taxes willingly, as the price of my breathing, and my children breathing, free air in a free country, and not living in a dead world."

"Storm Signals"

Enthusiastic acclaim from a packed house greeted the words of the President as he continued: "There are storm signals from across the seas. War, which threatened to envelop the world in flames, has been averted, but it has become increasingly clear that peace is not assured. All about us rage undeclared wars—military and economic. All around us are threats of new aggressions—military and economic.

"Storms from abroad directly challenge the three institutions which are indispensable to Americans—religion, democracy and international good faith. In our modern civilization, the three complement each other. Where freedom and religion are attacked, the attack comes from sources opposed to democracy.

"Where democracy is overthrown, the spirit of free worship has disappeared. Where the light of democracy has vanished, good faith and reason in international affairs has given way to strict ambition and brute force. A regime which relegates religion, democracy and international good faith to the background cannot find a place for peace."

United Democracy Urged

President Roosevelt said that, within a few days, he would send a special message to Congress urging an adequate defence program.

The President urged that the troubles of the world could be met by national unity.

"If another form of government can present a united front in attacking democracy," he continued, "the attack can be met by a united democracy. The nation's program of social and economic reform is a part of defence as basic as armaments.

"Never in American history have there been six years of such farflung preparedness—all accomplished without dictatorial commands, conscription of labor, the confiscation of capital, concentration camps, or a scratch of freedom of speech, or of the press, or the rest of the Bill of Rights.

"We want to make democracy work so that we will be efficient in peace, and secure in self-defence. We can compete with the dictators in bringing idle men, and idle capital, together, and at the same time remain within the bounds of what we consider to be civilization."

Disarmament Offer

This did not mean, the President continued, that America is against the rest of the world. The United States, he said, stands on its historic offer to join with other world Powers to end aggression and armaments races. He added, however, that since there are Powers which shun this road, and insist on policies of force, "weapons of defense can be our only safety."

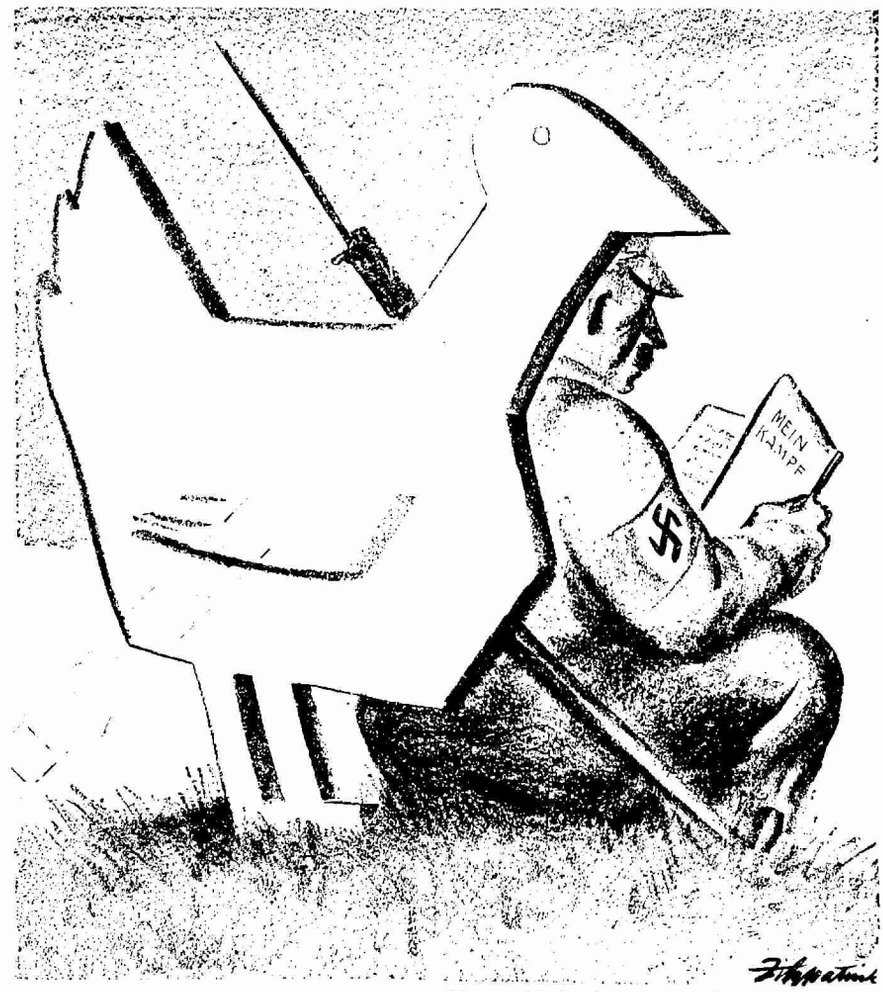
The President said one of the essentials for the preservation of democracy was that it be able to present a united front against the united front of another form of government. "In this way democracy can and must survive in the United States," he declared.

Mr. Roosevelt pointed out, however, that dictatorships may command the full strength of a regimented nation while a democratic nation's strength can be mustered only when its people have been educated by modern standards "to know what is going on, and where they are going to have the conviction that what they are receiving is as large a share of the material successes of human dignity as they have a right to receive."

The democracies could not remain indifferent to international lawlessness anywhere, he went on, pointing bluntly at "land grabbing" nations which he condemned as "bandits" in his Chicago "quarantine speech." This statement, in the light of its context, was generally interpreted to mean the final abandonment of all pretense of "isolationism" in American foreign policy.

"At the very least," Mr. Roosevelt said, "we should avoid any action or lack of action which would encourage and assist in building up an aggressor nation. We have learned that when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—they even may actually give an aggressor aid which is denied to the victim of aggression."

Dove of Peace Reads Up on War



Fitzpatrick in the St. Louis Post-Dispatch

No Cut in Expenditure

Mr. Roosevelt was firm in defending the Administration's Federal expenditures and warned against sudden curtailment. He predicted the national income would be $80,000,000,000 "within a short time" if present policies were continued.

The President said that if Congress yielded to demands that government spending must be reduced immediately, "Congress will have to bear the responsibility for future events."

Returning to international affairs, the President said "significant events abroad have made it increasingly clear that dangers to the American people from within are less to be feared than dangers from without."

This statement was believed aimed at undue emphasis in some quarters on the threats of internal "radicalism."

The President stressed the identity between Fascist dictatorships and disregard

for international treaties.

"We have learned," the President said, "that it is the God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations. And we have learned that these democracies cannot be indifferent to international lawlessness anywhere. They cannot forever let pass without effective protest the acts of aggression against sister nations—acts which automatically undermine us all."

England Impressed

The clear, unequivocal tone of President Roosevelt's address caused a profound impression in England. A statement issued from 10, Downing Street, and therefore carrying the official imprint of the British government, said "nobody who is charged with the heavy responsibilities of government could fail to be impressed by the solemn words with which the President greeted the elected representatives of the American people. In these islands, where there is so clear a realization that only through freedom and peace can we hope to maintain and develop for ourselves, and those that come after us, the benefits for which we labored for generations, the sentiments expressed by the President will be welcomed as yet another indication of the vital role of American democracy in world affairs, and its devotion to the ideal of an ordered human progress."

Herbert Morrison, British labor leader, made a noteworthy statement in which he declared that the one statesman who could best speak the mind of the British people today was "not to be found among the British ministers at all, but is the head of a foreign state—namely, the President of the United States. It is a thousand pities that among our ministers we have no one who approaches President Roosevelt for drive, rallying power and idealism. I am, of course, glad that the Prime Minister associates himself with the President's speech, but I wish that he could make such speeches himself."

Largely under the influence of President Roosevelt's address, according to political observers in London, Prime Minister Neville Chamberlain and Sir John Simon, Chancellor of the Exchequer, embarked last week upon a consideration of plans for applying economic sanctions against Japan in order to counter Japanese pressure on British interests in China. Informed circles were said to be convinced that the British government would take energetic measures if assured that Washington would take "similar if not identical measures."

According to the Tokyo *Asahi Shimbun*, one point which aroused Japan's concern was that Japan was regarded as one of the objectives of the new American policy, Japan being considered an aggressor and a despotic state subject to any of the economic sanctions contemplated through a modification of the Neutrality Act. In Washington, while there was talk of possible amendment of the Neutrality Act, a strong body of opinion inclined to the view that this piece of legislation would be allowed to stand and that President Roosevelt would act against Japan, and against other states found discriminating against American trade, on the basis of powers which he already possesses under the Hawley-Smoot Tariff Act and other statutes.

Nazi Sarcasm

In Germany, the semi-official *Diplomatic and Political Correspondence* denounced President Roosevelt's challenge as "destructive." The President, according to this publication, is influenced by war-mongers. "It can hardly be maintained that aims and methods such as those contained in President Roosevelt's speech correspond to what Europeans call 'peaceful.'" Other Nazi organs indulged in more violent comment.

The sharpest note of opposition to the President's policy within the United States—so far as cable dispatches to Shanghai have shown—was sounded by Representative Hamilton Fish, Republican member of the House Foreign Relations Committee, who said that the President in his address had stirred up "war hysteria." The time has come, he asserted, to put a stop to the "New Deal war-mongers" who are supported by "war profiteers, Communists and hysterical internationalists who desire to see American blood and money ensure police duties in the world."

Discussing the practical implications of the President's address, Senator Robert Reynolds, North Carolina Democrat and a member of the Senate Foreign Relations Committee, asserted that any attempt by the United States to use its economic power against Japan in the Far East would be "totally inconsistent" with the good neighbor policy pursued in South America. Attempts to punish aggressor nations by means of economic or financial sanctions, he said, would involve the United States in possible wars with Italy, Germany and Japan—possibly with the Soviet Union, "since Russia is an aggressor nation in seeking to expand her political philosophy throughout the world."

"Japan," he continued, "is seeking to establish an inviolable Far Eastern empire similar in many respects to the Western Hemisphere 'stronghold of democracy.' It would seem to some impartial observers that Japan has an equal right to seek to establish her influence there if the United States intends to move against aggressor nations in whatever section of the world fundamental American policy is violated."

Senator Bennett C. Clark, Democrat of Missouri, predicted that Congress would prevent the President from undertaking any economic reprisals against aggressors, because such action would constitute an "act of war to which I am vigorously opposed unless we are prepared to go to war."

Chinese Soldiers Said Killed in Hongkong

Two Chinese soldiers were killed while trying to escape from an internment camp in Hongkong, according to a report allegedly received in London and cabled to Shanghai by the German *Transocean* news agency on Jan. 4.

Japanese Forces Stage New Year Parades

Some 1,500 Japanese bluejackets and more than 100 vehicles of field gun, tank, communications, engineering, medical and accountant units paraded in review before Vice-Admiral Koshiro Oikawa, commander-in-chief of the China Seas Fleet, in the Kiangwan Road and Hongkew Park areas of Shanghai on Jan. 7. Several thousand Japanese residents turned out to watch the parade. Visitors present included officers representing the Italian, American, British and French naval forces, and Mr. Fu Siao-en mayor of the puppet Shanghai City Government.

In Hankow, fully-armed Japanese troops, headed by a tank unit, paraded along The Bund, passing through the French Concession in the course of their march, on Jan. 8, *Domei* reported. The salute of the passing troops was taken—perhaps symbolically—from a stand in front of the National City Bank of New York in the ex-British Concession. Similar parades were held in Wuchang and Hengyang.

—*London Evening Standard*

The traditional New Year parade took place in Tokyo the same day, 25,000 regular army troops passing in review before Emperor Hirohito at the Yoyogi drill grounds, while 240 army airplanes demonstrated in formation overhead.

Panama to Protest Seizure of Vessel

The government of Panama is reported to be preparing a protest to Japan against the seizure of the Panamanian steamer *Nord* in Tsingtao harbor on Jan. 1. The vessel, commanded by Captain Andreassen, a Norwegian, arrived in Tsingtao with a cargo of poles and planks from Foochow, destined for Chinese consignees. A Japanese naval party boarded the ship and took control, ordering her to Port Arthur, where she is being held.

Chungking-Kweiyang Air Route Inaugurated

The China National Aviation Corporation inaugurated a new air service between Chungking and Kweiyang, provincial capital of Kweichow, on Tuesday of this week. The new service will be operated every Tuesday and Friday. The airplane will leave Chunging at 9.30 a.m. for Kweiyang and return at 2 p.m. The fare for a single trip is fixed at $125.

Huge War Demands for Shipping Hinder Japan's Maritime Commerce

BY KURT BLOCH

(*Far Eastern Survey*)

JAPAN BUILDING 84 NEW SHIPS

According to a Domei report from Tokyo Jan. 8, Japanese shipping companies are now building 84 new vessels, with an aggregate tonnage of 521,741, all of which will be launched or completed within the current year. Three of the ships are for the Nippon Yusen Kaisha, Japan's largest shipping company. They are being built at the Mitsubishi Dockyard in Nagasaki. A 27,700-ton passenger liner, with a speed of 24 knots, is to be completed for N.Y.K. in 1941 for service on the Orient-San Francisco run. A later report from Tokyo announces a decision by the Japan Shipping Autonomous League, comprising five firms, not including the N.Y.K. and O.S.K., to cancel contracts for the charter of from 300,000 to 400,000 tons of foreign shipping. The action was decided upon, at the behest of the finance ministry, in order to cut down Japan's foreign payments. The N.Y.K. and O.S.K. have no foreign ships under charter.

With warfare in China largely dependent on the transportation of men and supplies, the demands of the Japanese military are having far-reaching effects on Japan's shipping. In 1936 two Soviet experts, Tanin and Yohan, estimated that no less than 1,100,000 tons of shipping space would be required to supply an army of one million Japanese on the Asiatic Continent. This estimate, it now appears, has fallen far short of the actual demands which Sino-Japanese hostilities have made on Japanese shipping.

For purposes of statistics, Japan's shipping is subdivided according to areas: the "coastal area," or Nearsea Area No. 1, embracing coastal shipping proper as well as transportation services between Japan and Manchukuo, Korea and China; Nearsea Area No. 2, transportation between Japan and the Philippines, French Indo-China, Singapore and North Borneo; Nearsea Area No. 3, Netherlands India and New Guinea. The two latter are often grouped together as the South Sea and Malay Waters unit. Officially, the total tonnage under Japanese registry at the end of 1937 was 4,422,000 gross tons of which less than 15% was employed on regular lines, the other 85% being listed as trampers. Thus the movement of tramp shipping may well be taken as indicative of the general tendencies in Japanese shipping as a whole under the strain of wartime operation.

In May 1937 about 55% of tramp shipping tonnage was employed in the three nearsea areas, the remaining 45% being employed in the deepsea areas. In May 1938, however, the nearsea areas tonnage had increased by about 500,000 tons, with a corresponding decrease in the deepsea area tonnage. During the first months of 1938 there were additions to the tramp fleet of nearly 600,000 tons. Most of this increase was the result of a shifting of Japanese vessels from their former foreign registry into Japanese registry, the transfer being assisted by the relaxation of rules formerly enforced by the Ministry of Communications, which prohibited the importation of "foreign" ships. But the increase was also due partly to a systematic withdrawal of Japanese tonnage from established lines on account of the recession of 1937-38 and the resulting unprofitable operation of Japanese shipping lines abroad, and partly to the serious shortage of ships in the nearsea areas which boosted the profits that could be reaped from freight rates.

Demand for Space

A vigorous new demand for shipping space arose with the outbreak of hostilities. In addition to the different shipping areas where Japanese tramp boats were formerly employed, Japanese statistics, in July 1937, began to list a huge employment of tonnage under the heading of "others." This new tonnage item amounted to about 650,000 tons in August, 870,000 in September, and reached a total of no less than 1,250,000 tons in the period October-December 1937. These increases may be ascribed to the transportation needs arising from the concentration of Japanese armies on the mainland.

In January 1938 the amount began to decline and by June had decreased to 890,000 tons. Coincident with the Yangtze campaign, however, the total again rose to 1,110,000 tons. It seems rather likely that part of the apparent decrease in the first half of 1938 was due not so much to an actual reduction of tonnage used, as to the transfer of ships, requisitioned and managed by the armed forces, to private management under provisions securing their use for military purposes, especially since from December 1937 to June 1938 shipping employed in the Nearsea Area No. 1 increased by nearly 800,000 tons without a decrease of the apparent shipping shortage commensurate with such a heavy increase by roughly 80%.

In July 1938, as a result of these shifts of Japanese bottoms, only 60% of Japan's tramp tonnage employed on deepsea voyages in July 1937 was still plying foreign routes. The other 50% had been "repatriated" for war services. The reduction of tonnage was most serious in European waters where the activities of Japanese tramps were cut more than 80%.

On the whole this reduction of Japanese overseas shipping coincides with recent developments in Japan's foreign trade overseas which, outside the nearsea areas, was shrinking at roughly the same rate as Japanese ocean transportation. But to a large extent Japanese shipping had little actual relationship to Japan's foreign trade, since its carrying trade between foreign countries had assumed considerable importance. For example, in 1936 the total shipping revenue (gross) of Japan amounted to Yen 334 million of which no less than Yen 70 million, or more than one fifth, was due to freight revenue on trade between foreign countries.

Home Freights Rise

In addition to the actual demand for Japanese vessels in the nearsea areas caused by the military demand for supply boats, economic factors also motivated the shift of Japanese bottoms from the high seas to nearer home. While the freight rates overseas were falling as a result of the recession, freight rates in Japan's coastal shipping were rising stiffly to unprecedented records, partly because of the military requisitioning of ships and partly because of the general rise of the Japanese price level. The large Japanese boats, generally employed with profit in the overseas carrying trade, were attracted homewards by the differential advantages accruing to their use in home waters. This homecoming assumed such dimensions that freight rates in the Nearsea Area No. 1 began to slump and the *Oriental Economist* mentioned a "congestion" of Japan's home waters. Then new factors—the Yangtze offensive with its additional demands upon shipping space and the revival of economic activities in the Western World—came into play and again there was a shortage of shipping space.

Naturally Japan has now begun to realize that the price disparity between freight rates in the nearsea areas and overseas is a factor endangering the maintenance of her international position as one of the foremost ocean carriers. Accordingly in order to equalize the freight differentials, schemes are on foot to grant subsidies to deepsea shipping. To keep Japanese shipping in a position to compete with foreign shipping, the 30% to 40% disparity between Japanese and international prices must somehow be eliminated.

Ship Building Hit

Another factor which seriously threatens the position of Japan's shipping is the disappointing showing in her shipyards. In 1937 Japanese shipbuilding reached a new high with a total of 460,000 tons launched. Since September 1937, however, the shortage of raw materials has so handicapped construction activities that in January 1938 launchings were actually smaller than in January 1937. This development has grown so serious that early in the year a lively trade was carried on; ships ready or close to actual delivery were bartered for ships due for delivery at more distant dates, spot ships being quoted at a high premium as compared with ship "futures." It is probably not an accident that no new figures have been issued on Japanese shipbuilding since February 1938.

Thus Japan's shipping industry, though equal to the necessities of the campaign in China, is passing through diffiucIt times. Shipping shares in Japan have reflected the various factors affecting the situation. In August shares of the Nippon Yusen Kaisha were quoted at a level less than 10% above the low of 1936. Shares of the Osaka Shosen Kaisha, which shortly before the outbreak of Sino-Japanese hostilities had increased its total tonnage at a price then considered excessive but now, extremely advantageous, had nearly reached parity with those of the Nippon Yusen Kaisha. The greatest advance, however, has been achieved by the shares of the Toyo Kisen Kaisha which had been following the practice of offering their boats for charter and has thus been able to derive whatever profits there are in the shipping boom in Japan's Nearsea Area No. 1.

The diversified fate of Japan's shipping shares reflects the distortion of trade by wartime conditions. It appears that here, as in so many other instances in Japan's business world, the war has hurt the interests of acknowledged business leaders while offering new advantages to others.

First Hongkong Ship Sails for Canton

The steamer *Kinshan*, first vessel to renew passenger traffic on the Pearl River since the Japanese capture of the Kwangtung capital last October, sailed from Hongkong for Canton on Jan. 11, according to *Reuter*. It is hoped that the sailing of the vessel, which carried only foreign passengers, will be the prelude to a more or less rapid restoration of full steamship service between the two southern ports.

Guerilla Tactics and Activities Detailed by Roving Correspondent

The following description of guerilla warfare employed in China against the Japanese invaders is taken from a recent issue of the American magazine, "Time." —*Editor.*

In most of the 430,000 square miles of China thus far "conquered" by the Japanese, hundreds of thousands of embattled Chinese peasants keep up today an endless sniping resistance to their conquerors. The daring and resourceful Chinese who are trying to thwart and exhaust the Japanese in this most extensive of modern history's guerilla campaigns have made some of the most exciting stories of the war. By the nature of the fighting, however, they make them in the dark.

The *Associated Press* sent a correspondent (Haldore Hanson, who only recently returned to the United States—Editor) southward from Peiping on June 11 to plunge into guerrillaland and get the story. His dispatches are now reaching the U. S. by mail. For the present, *A.P.* dares not divulge his identify. When it does come out his name will be listed in U. S. journalism's evanescent hall of fame—alongside those of Archibald T. Steele of the *Chicago Daily News*, authors Anna Lousie Strong, Agnes Smedley, and Captain Evans F. Carlson, retired U. S. Marine observer—as one who went through danger and discomfort to find the big story of Chinese operations deep in the interior behind Japanese front lines.

The Chinese guerillas, largely operating in Shansi, Hopei and Shantung Provinces, are loosely organized into a "People's Self-Defence Army." Crude village arsenals make their grenades, bullets and broadswords, but much of their ammunition is unwillingly furnished by the Japanese. Clad in green cotton uniforms enabling them to melt into the countryside after a daylight raid, the guerillas are taught to wreck Japanese troop and supply trains, ambush food convoys and attack isolated Japanese garrisons.

Lawrence Tactics Copied

Their military headquarters, located in dozens of central villages, keep in touch with each other by telephone and wireless equipment, much of it filched from the Japanese. At their general headquarters, where a "general staff" of young officers, lent by the 8th Route (former Communist) Army, veteran Manchurian fighters and college students plan widespread attacks, the *Associated Press* man discovered their well-thumbed textbook on guerilla warfare: a translation of *The Seven Pillars of Wisdom*, by the late famed Lieut.-Colonel T. E. Lawrence of Arabia.

Pride of the guerillas are two train wreckers, both dignified Chinese scholars, who in pre-war days occupied professorial chairs in the chemistry and physics departments of Peiping universities. They explained their technique to the correspondent. "It's like a game of chess. Our opponent is the Japanese army engineer. He tries to checkmate every move we make in wrecking his trains, but thus far we have kept one jump ahead."

The erstwhile professors admitted they had copied Lawrence's method of train wrecking—setting off an explosive charge under the rails as a train passed over—until they ran out of explosive. Then they used a cheaper method—pulling out the inner rail spikes, especially at spots where the tracks curved. This usually caused the tracks to spread when heavily-loaded Japanese trains ran over them. "Under optimum conditions it requires from one to four days for the Japanese to clear away the wreckage," said the smiling one-time physics professor.

"Thieving Parties"

Train wrecking is only one of their strategems. For the most part they organize "thieving parties" to carry off rails and telephone poles. Some 200 farmers near Paoting, 90 miles south of Peiping, devote two nights a week to demolition work. In one night they can tear up and hide ten rails, chop down 28 poles.

To repair their one night's damage the Japanese engineers send out 3,100 lbs of steel rails, 240 spikes and 28 poles. Total cost: 4,780 yen. Thus, if the Paoting farmers keep up their twice-a-week raids, they will cost the Japanese half a million yen a year. If 1,000 villages do the same, Japan will have to increase her army budget half a billion yen a year, reason the guerillals Therefore, 2,000 organizers have recenty. been sent out to carry on concerted rail-raiding parties.

When the Japanese discovered that the guerillas were pulling out the inner rail spikes, they temporarily stopped derailments by having a light train run over the line in the morning to spot missing spikes. Led by the two professorial train wreckers, the Chinese soon had the upper hand. They carved wooden spikes, painted them iron-color, inserted them in place of the removed ones. The light Japanese trains crossed the rails without causing them to spread, but when the heavy munition cars came along the wooden spikes broke, spilled the cars on the trackside. This ruse has derailed over 30 trains south of Peiping in the last three months.

The Japanese have tried various unsuccessful methods to stamp out destruction of their rail lines. Chinese farmers were forced to inspect the tracks and report loose or missing rails—which they did, but often only after helping the guerillas tear up and hide the rails. A $5 reward was offered by the Japanese for returned rails—those Chinese who took advantage of the deal were executed when they returned home. Japanese troops tried burning the nearest Chinese village when the rails were cut. Chinese destruction only increased.

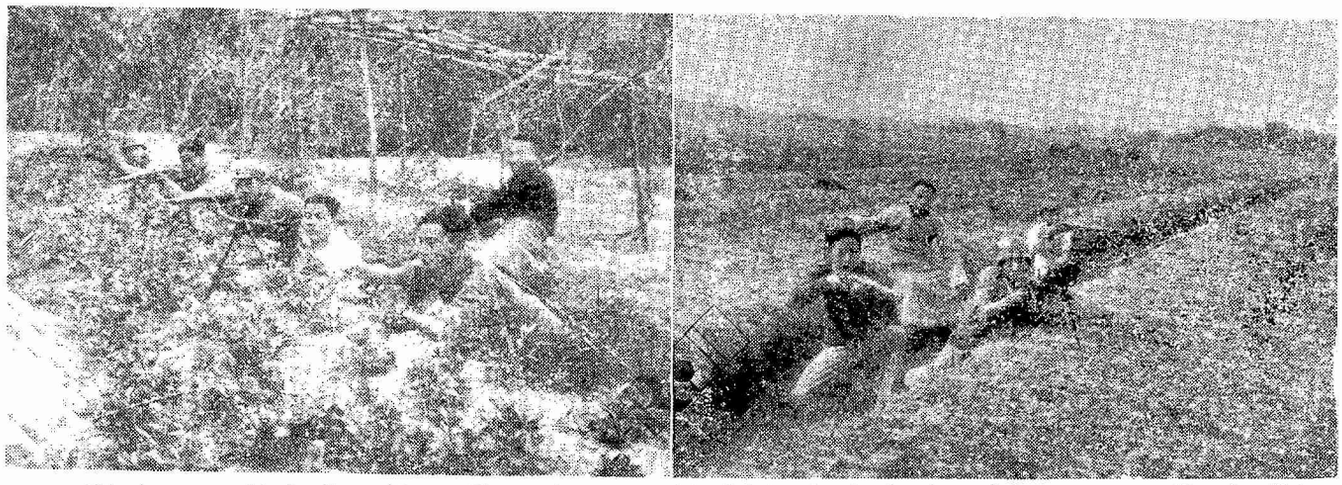
Most successful trick employed by the Japanese is to slip Japanese uniforms on rubber dummies, stand them up in open trucks and thus deceive the guerillas into thinking that the truck convoys are too heavily guarded for attack. Both sides frequently use dummies. Other correspondents have reported that Japanese bombers rain tons of explosives on Chinese "airplanes" and "tanks" which, upon capture, turn out to be reed matting or wooden imitations placed in the open to draw fire. Pictures have arrived in the U.S. which show heads and shoulders of Chinese "soldiers" cut out of tin, nailed on stakes and jabbed into trenches—to make the Japanese think that Chinese trench lines were strongly manned.

Nippon Uniforms Used

"Both sides have tried masquerading in uniforms of the other side to pull off surprise attacks, but the Chinese claim it is too easy to spot a Japanese in Chinese uniform because the Japanese have a characteristic swaggering shuffle acquired in childhood as a result of wearing wooden

(*Continued on Page 219*)

Guerilla Fighters in Action Against the Invaders



China's countryside is alive with guerilla warriors engaged in fighting for the freedom of their country. On the flat plains and delta lands, no less than in hilly country, they spring up to harrass the invading armies of Japan, themselves choosing the time and circumstances for action. Some are regular soldiers, but most are ordinary civilians, and therefore able to conceal themselves in towns and villages when necessary. These pictures show guerillas in action near the towns of Changshu and Taitsang, located on the Shanghai-Wusih highway.

War Needs Reported Stimulating Great Activity in Chekiang Province

BY CHANG CHEN-HWA

"After the fall of Nanking, Hangchow, Hsuchow, Canton and Wuhan, China still continues her policy of resistance against her enemy. However, we have learned one lesson; that is, political training of our people is just as important as military tactics. A portion of Chekiang has been lost. But with popular support we are determined to take it back."

These remarks were made last November 13, by Gen. Huang Shao-hsiung, chairman of the Chekiang Provincial Government, at the Sun Yat-sen Memorial Service held at Kinhua.

Since the beginning of hostilities, the Chekiang Provincial Government has made marvelous progress in various ways, but only a brief survey will be attempted here.

War-time Education

In the field of war-time education, steps have been taken to establish a Chekiang Provincial War-time University. This institution will be opened at the beginning of the coming spring term. The organization committee consists of Hsu Shao-tih and Huang Tsu-pei, respectively the heads of the provincial education and finance departments, and Chao Cheng-yu, who is famous as an educator. Following are the colleges which will compose the university:

1. College of Liberal Arts, including law and commerce, with the following departments: social science, education, law and politics, economics and accounting.
2. College of Science and Engineering, with the following departments: mathematics and general science, civil engineering, mechanical engineering, electrical engineering and chemical engineering.
3. College of Agriculture, with the following departments: agriculture, forestry, animal husbandry, farming and plant pathology.
4. Medical College, with the following departments: medicine, surgery, pharmacy and materia medica.

A War-Time Middle School has already been opened in Yu-Chien and has an enrollment of over 200 students, most of whom have come from the Japanese-occupied areas. At the beginning of the present term, a Sericultural School was opened with about 200 students. Then there is an Itinerant Educational Camp. Started by just a few individuals, its work it confined to the coastal *hsien* and war zones. It visits different homes and educates the juvenile inmates. When the latter have learned a sufficient number of Chinese characters, they are required to devote part of their time to teaching others, and thus become "emergency teachers." Members of the camp are conducting propaganda and organizing work among the villagers.

Mass Propaganda

The Broadcasting Education System handles radio work. There is at least one radio broadcasting station in every *hsien*. Through them, the inhabitants receive news reports, hear speeches and also get music from the outports. Dramatic performances for educational and patriotic purposes, news censorship, ptopaganda work, refugee relief work and education are all activities which come within the scope of the Provincial War-time Education and Cultural Affairs Committee.

Social and mass education serves a special purpose and is becoming very popular as well as efficient. It trains both men and women in rural as well as industrial districts to become scouts, to search out spies and traitors, and also to organize the masses.

In order the secure the necessary finance, the provincial government has issued $10,000,000 worth of bonds bearing interest at six per cent. Subscriptions have been very encouraging. A sum of $13,000,000 annually is yielded by the land, business and stamp taxes. Government control is exercized over salt and tobacco and the salt trade alone gives the government a revenue of $30,000 per month. The wood oil trade is booming. Up to the end of November, exports of this commodity totalled $160,000,000 in value, an increase of 10 per cent over the preceding year. The price of wood oil has risen from $38.50 to $43.50 per Customs picul.

Progress has been made in the development of the cooperative system. There are now four types of cooperative societies covering storage, freight and marketing, consumers, producers, and credits. These cooperatives are found in every *hsien*, with branches in various towns and villages. There is also the Provincial Cooperative Treasury, with branches in different *hsien* performing the functions of banks: savings, loans, foreign exchange, etc.

New Factories Opened

Twenty factories of the handicraft type have been established since the war started. The more important are iron and steel, cotton, chemical fertilizers. All waterways, highways and railways in Chekiang are under the control of the Provincial Reconstruction Department. Some 20,000 ricshas have been added for transportation through villages and war zones.

A most important change introduced since the war began is the independent accounting system. All provincial treasury, accounting, auditing and financial organs have adopted the principle of checks and balances. Beginning in 1939, the fiscal year will commence January 1 and end December 31, instead of September 1 to August 31, as heretofore.

Difficult to Get Back

Cargill Cartoon

The Provincial People's Council will convene on January 1, 1939. It has a membership of 40 representatives, of whom 24, or 60 per cent, are elected by the various constituencies and 16, or 40 per cent, according to occupation. Qualifications for membership are that the candidate must be Chinese, not less than 30 years old, must have education, and not be a government employee. The functions of the Council are to enforce democratic principles, supervise the provincial administration, introduce reform measures, support national policy, and help consolidate the nation.

Instead of the former committee system, the Kuomintang in Chekiang has adopted the directorial system. Henceforth, the

(*Continued on Page 216*)

British Military Move to Halt Crime Wave, Close 'Ta Tao' Station

ACTING to terminate an encroachment by the local Japanese puppet administration on their defense sector, and therewith to halt the wave of crime which has made life unsafe in the Western Outside Roads area of the International Settlement, British military forces forcibly closed a "Ta Tao" sub-police station at Great Western and Columbia Roads on Friday of last week, thereby precipitating a barrage of abuse from the local Japanese press. Taking the lead, the *Tairiku Shimpo* characterized the British move as an act of "banditry."

Carried out under orders of Maj.-Gen. A. P. D. Telfer-Smollett, commander of the British forces in the Shanghai area, the closure of the police station was the most forcible British action taken here for a long time. A party of soldiers of the East Surrey Regiment, led by Major B. H. Ashmore, found the one-story police station occupied by a group of "Ta Tao" men, all in plain-clothes. Without wasting words, the British officer told the occupants to leave and they did so without offering any resistance.

The entire eviction and sealing-up took about an hour and a half, commencing at 10 a.m. All furniture, bedding, uniforms, clothing, batons were carried out of the building and laid in neat piles. The main barred door was closed and locked. Other doors and windows, including those facing the countryside behind the station, were closed and barbed wire draped across them. Notices in English and Chinese were then posted prominently at the entrances. The notice in English read: "This house has been closed by order of the British Military Forces." The British soldiers left after the last of the "Ta Tao" policemen had wandered off.

Charges and Denial

While the occupants of the police station fell in readily with the British military orders and evacuated the premises meekly, a storm of protest broke in the local Japanese press, which described the British action as "illegal." Investigations showed, the papers said, that the British soldiers had torn down the five-bar flag of the "Reformed Government" and thrown mud at a photograph of Prince Ayamaro Konoye, former Japanese premier. The Greater Shanghai Municipality, it was asserted, "is determined to defend its rights with a firm attitude."

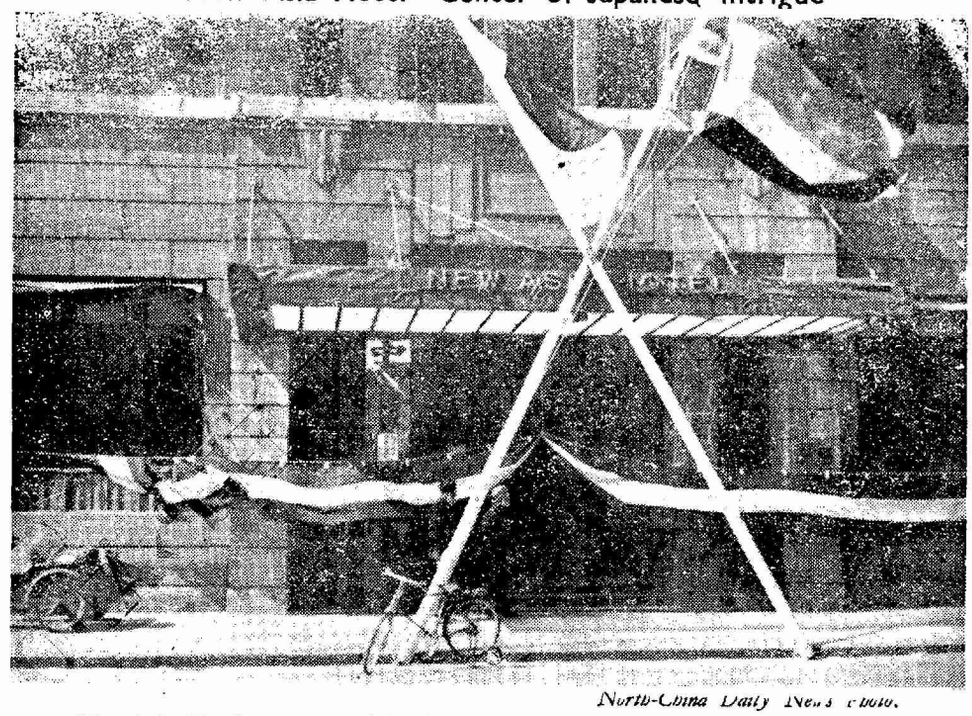
A prompt British denial of the Japanese allegations was forthcoming, but the Japanese agitation continued. According to *Domei*, an official of the Greater Shanghai Municipality ("Ta Tao") was refused an interview when he tried to obtain an explanation of the British action in closing the police station from Maj.-Gen. Telfer-Smollett, while Major Ashmore was said to have manifested an "arrogant" attitude toward the "municipal" official who called on him. Ashmore reportedly said: "The police sub-station is situated on an S.M.C. road within the British Military defense sector, so we closed it," adding that the British military forces do not in any case recognize the "Ta Tao" police.

Move Against Crime

Among the foreign community, the action of the British military was construed as a move directed toward halting the carnival of crime now flourishing in the Western Outside Roads area, which is infested with criminals, enjoying "Ta Tao" protection, who make frequent incursions into Settlement territory in addition to having already made life precarious for foreigners and Chinese living in that neighborhood.

On Jan. 4, eight gangsters were arrested following a gun battle with S.M.P. officers in Fah Wah Village, just off Columbia Road, and on Jan. 7 a shooting affray occurred in Japanese-occupied territory off Tunsin Road, in which the S.M.P. were not involved. Ten days ago, a party of 12 Britons and Americans, returning to their homes from the Columbia Country Club, were held up and robbed by armed gangsters at Columbia and Great Western Roads, at the exact spot where the now defunct "Ta Tao" police station was located. The Ta Tao police made no effort whatever to interfere with the nefarious doings of the gangsters.

New Asia Hotel—Center of Japanese Intrigue



North-China Daily News photo.

New Asia Hotel, property of Southern Chinese in Hongkong and Canton, registered under British flag, located on North Szechuen Road, Hongkew; seized by Japanese and now used as "intrigue" headquarters. Fears have been expressed in Japanese quarters that Chinese might attempt to bomb the hotel.

Moji-Shimonoseki Tunnel Work Enters Main Stage

Boring of a 2,100-meter undersea tunnel linking Kyushu and Honshu, the main Japanese island, will enter an important stage late this month when the shield system of underground digging will be adopted for the first time in Japan, officials in charge of the Yen 35,000,000 project said this week. Excavations will be undertaken over a 1,300-meter stretch, 27 meters below the bottom of the Shimonoseki straits.

Work is making progress from both ends of the projected bore. A distance of 400 meters has been excavated on the Moji side in Kyushu and a stretch of 370 meters has been dug from the Shimonoseki side. The tunnel is scheduled to be opened in 1942.

Soviet Envoy Seeks Asylum in Egypt

Fearful of returning to Moscow because he might have incurred the suspicions or ire of his government, the Soviet charge d'affaires in Jedda, Saudi-Arabia, was reported this week by *Transocean* to have ignored a recall order and fled to Egypt. He is said to have requested the permission of the Egyptian government to remain in Egypt, but the Egyptian authorities, the German agency said, "are in principle not willing to grant such permission to citizens of the Soviet Union."

An example of the fostering in the U.S.S.R. of that type of extreme nationalism which the Soviets condemn as "reactionary" when manifested in other countries, was furnished last week by a *Tass* report describing a new Soviet film now being exhibited in Moscow, entitled "Alexander Nevsky."

At the conclusion of a lengthy description given over to glorification of Russia and the Russians, the following passage occurs: "The film truthfully pictures the features of the Russian people—its patriotism, its will to win, its supreme courage—as opposed to the brutal German 'cur-knights,' as Marx used to call them, their blunt, inhuman cruelty."

Pacific Squadron Provides Fleet Nucleus

President Roosevelt announced Jan. 6 the creation of a permanent Pacific squadron to consist of four battleships, eight cruisers, and flotillas of destroyers and submarines, in addition to the usual auxiliary craft. Government circles, *Transocean* stated, indicated that this squadron was intended as the nucleus of a large Pacific fleet for which provision is to be made in the new naval budget.

Japanese Threats to Indo-China Frighten France

BY GERALD L. G. SAMSON

UNVEILED and repeated Japanese threats to bomb the French-owned Yunnan Railway and occupy Hainan Island and Pakoi whose airdromes are less than two hours flight from Hanoi, if the French Government did not prohibit the transit of Chinese war material through Indo-China and Kwangchowwan (the Kwantung port leased to France by China in 1898 for ninety-nine years), scared the French authorities to such an extent that, in direct contravention of clause six of the Convention signed at Nanking regulating the boundary between China and Indo-China, they lost little time in acceding to successive Japanese demands. (The clause referred to above not only guaranteed to China the free transit of arms and ammunition across Indo-China but their exemption from all duties.)

Within a few weeks of the outbreak of the present Sino-Japanese conflict, the governor-general, on instructions from Paris, issued a decree forbidding the passage of all Chinese war material through Indo-China with the exception of orders placed before hostilities commenced and (excluding those of French manufacture) shipped before October 13, 1937. At that time the prohibition was of little importance, since the bulk of Chinese supplies were arriving via Hongkong and Canton. This probably explains why the Chinese Government failed to take a much firmer stand at this blatant disregard of China's treaty rights. However, with the fall of Canton on October 22 last, Haiphong, the commercial port of Tonkin and the Indo-China terminus of the Yunnan railway, became a vital link in China's communications with the outside world. No one realised this fact quicker than the Japanese, who now proceeded to protest more violently than ever that the French authorities, who they accused of delibertaely shutting their eyes to the passage of war material disguised as construction or commercial supplies through Indo-China and Kwangchowan, were not living up to their previous undertaking to stop such entries; and that if this situation was not immediately rectified reprisals would swiftly follow.

Embargo Ordered

Apparently the French Government was panic-stricken for on November 7 Paris ordered the governor-general to place an embargo on all Chinese purchases that could possibly be used for manufacturing purposes; in addition to maintaining the existing ban on the transit of arms and ammunition. And in their haste to obey these instructions, the local authorities even held up Red Cross supplies for several weeks.

The local business community and other leading members of the municipality were quickly up in arms against this arbitrary decree and resolutions from the Chamber of Commerce and other bodies were cabled, and long letters from influential individuals air-mailed, to the Paris Government demanding its withdrawal. From copies of these documents, which I have seen, it is evident that although their authors are unquestionably sympathetic to China's cause, they are mainly concerned lest Rangoon (now that the Yunnan-Burma highway has been completed) instead of Haiphong, inherit the lucrative China trade done by Hongkong for so long; in which event, Haiphong would revert to a port of comparative insignificance.

Pressure was also brought to bear on Paris by "big business" in England and America, who were furious at having their shipments held up by a friendly power. Since neither China nor Japan had made a declaration of war, they contended there was no ground whatsoever for the embargo, and insisted emphatically that it be lifted forthwith. Nevertheless, it was not until December 21 that permission for the resumption of the transit of trucks, machinery and materials for civilian use in China, was finally granted. But as the definition of war material by the French authorities now included electric power and generating machinery without which no factory could possibly function, the Chinese are still severely penalised.

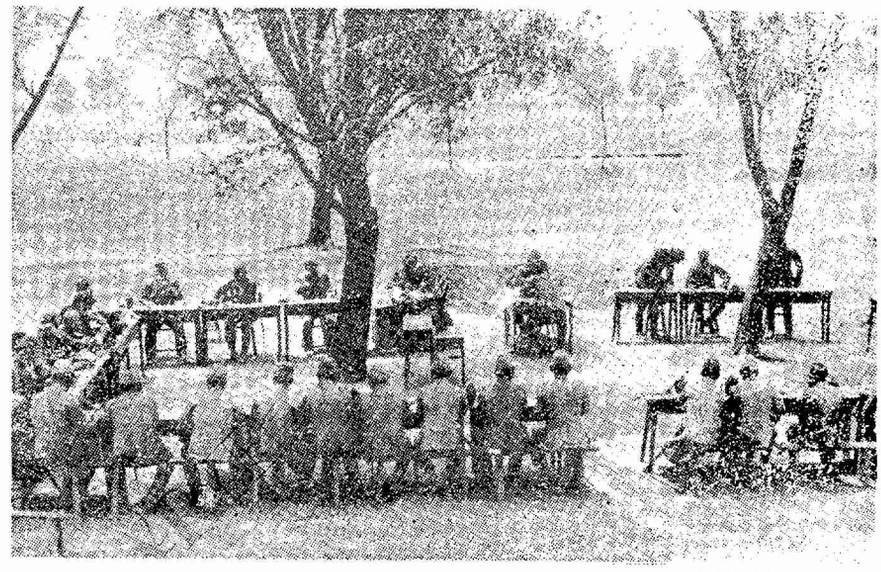
What exactly actuated this change of heart no one knows here for sure. But it is generally assumed that the grant of credits to China by Great Britain and the United States, coupled with the bellicose attitude adopted by the Japanese Army towards the French Concessions in Tientsin and Hankow, had a great deal to do with it.

Anyway, the 1,500 trucks of various makes which had collected in Haiphong and Hanoi (I photographed hundreds of them standing idle in fields adjacent to the docks) were now allowed to cross the frontier empty and only at night-time at the rate of one an hour. These remaining restrictions (obviously costly to China) being imposed in order not to offend Japanese susceptibilities too gretaly. The unloading of all other cargoes other than war material or anything manifestly destined for the manufacture of arms and ammunition, was also resumed on this date—a special landing permit having to be obtained for each shipment, however, and the Customs regulations scrupulously complied with.

Japanese Inventions

What then of the sensational Japanese reports that large quantities of war supplies have been reaching China through Indo-China and Kwangchowan? Manifestly, they are pure invention! The Yunnan railway is the only railroad connecting China with Indo-China and the maximum freight it can carry is 400 tons a day; all of which is booked up months ahead by bona-fide firms supplying products for civilian use. As regards transportation by road, it is both costly and extremely difficult to organise under present conditions; and in any case, up until quite recently, there were few trucks available for such a purpose. It is quite likely that a small amount of gun-running and smuggling of arms has taken place. This is a phenomenon of war the world over which no government has yet been able to prevent. But for the Japanese to cite such cases—if they know of any—in support of their contention that arms and ammunition in any serious quantity are entering China via Indo-China, is on the face of things patently ridiculous.

In the case of Kwangchowan, not even civilian supplies have been able to reach the interior since December 10. For on that day and the next, all the bridges along the coastal roads of Kwangtung as well as those several miles inland were systematically blown up by the Chinese, and the roads themselves ploughed and planted with hedges. Many Chinese trucks were caught and lie stranded on sections of road between destroyed bridges. The distribution of salt by the Salt Gabelle was also completely disorganised.



—*Life Magazine*.

In a grove beside a waving field of kaoliang, Japanese staff officers plot their next moves in the campaign for the conquest of China.

Ox-Cart Service

The Chinese Salt Commissioner, when interviewed just across the border where he is temporarily isolated, told me quite cheerfully that he was trying to organise an ox-cart distribution service as these vehicles have large wheels and could, he thought, manage to get across most of the shallow streams; though this would take time. The local representative of the British-American Tobacco Company, on the other hand, talked of hiring a thousand coolies to carry his cigarettes into the interior. But either way will be a laborious undertaking, and I was not surprised to find that the *Jean Dupuis* which was taking me to Haiphong, was heavily loaded with merchandise destined for China which had been previously shipped to Kwangchowan from either Haiphong or Hongkong.

All the hotels in Hanoi and Haiphong are full and accomodation must be booked in advance. Rentals and food prices are steadily rising, though in terms of sterling they are still moderate. The French residents seem anxious to discuss the latest phases of the Sino-Japanese conflict and especially to hear what you think of China's

chances, which most of them view none too brightly. Notwithstanding, they make no secret of their sympathy for China and assure one that the Annamites are equally pro-Chinese. It is very easy to say to them that actions speak louder than words; and that if you sincerely desire to enhance China's chances of victory you should give her more positive assistance. I did. And they replied that Indo-China if attacked by Japan tomorrow would be hard to hold without assistance from either Great Britain or America.

Defenses Feeble

Indo-China, with something like a 1500-mile coast-line to defend, has a poorly equipped Army of some 90,000 men, two-thirds of whom are native troops of doubtful value. (These figures do not take into consideration the new native army of at least 20,000 men which is in the course of formation in connection with the recently announced program for strengthening the Colony's defences. And with the tense political situation in Europe—a hungry Germany eyeing her across the Rhine, a greedy Italy casting covetous glances at her Mediterranean possessions, and a Spain torn by civil strife the other side of the Pyrenees—France is in no position to strengthen her forces greatly in this part of the world at present.

What is obviously needed is a united French, British and American front pledged to protect their Far Eastern interests which are fundamentally identical. It is not necessary to send a big army and navy out here to bring Japan to reason. All that is required is a genuine threat of an economic boycott which would include a refusal to buy from, as well as sell to, Nippon; plus a common determination to carry it through if need be. The Dutch East Indies would surely side with such a strong combination and it would then be impossible for Japan to obtain approximately seventy per cent of the raw materials she is using in her war of aggression; added to which her export trade—the Japanese Empire's lifeline—would almost disappear over-night. Nippon realises this is her only danger and is bending every sinew to break China before we can make up our minds.

Hanoi, December 31, 1938.

Skoda Machine-guns Going to Manchukuo

Skoda-manufactured machine-guns and other arms may be sold in the near future to Japan and the puppet state of "Manchukuo," the Tokyo *Yomiuri* reports from Changchun.

Czechoslovakia is about to conclude a treaty providing for normal diplomatic and commercial relations with "Manchukuo," and in the negotiations on that treaty sales of Skoda arms to the Changchun regime played an important role, according to that report.

The Skoda Works, prior to the Czechoslovakia crisis, had been selling arms and ammunition to the Chinese National Government in large quantities.

Hungary Recognizes Manchukuo Puppet State

The government of Hungary accorded *de jure* recognition to Japan's puppet state of Manchukuo on Jan. 10. Appreciation of this act was expressed by the Japanese premier, Baron Kiichiro Hiranuma, in a message to the Hungarian prime minister, who was thanked for Hungary's "deep understanding" of the Far Eastern situation.

Following the example of Hungary, three more European countries, Albania, Yugoslavia and Czechoslovakia, will extend *de jure* recognition to Manchukuo, according to a *Domei* message from Rome.

Philippines May Be Kept by the U.S.

THE possibility that the United States may retain possession of the Philippine Islands indefinitely was seen in Washington this week, *United Press* reported, consequent upon the annual report of Paul V. McNutt, U. S. High Commissioner for the Islands, which President Roosevelt sent to Congress without comment.

The report carried the emphatic recommendation that Congress give "sympathetic consideration to the possible reconsideration of Philippine independence, if such should be desired by the Filipinos."

Mr. McNutt's report gave a comprehensive review of economic, financial, agricultural and political conditions in the Philippines.

"In view of the general realization in the Philippines of the serious consequences which may result from the withdrawal of United States economic relations, and in view of the problem of international security," Mr. McNutt's report said, "it is recommended that the United States Congress give sympathetic attention to possible reconsideration of our present political policy toward the Philippines, if the majority of Filipino people desire continuation of the Commonwealth under American sovereignity."

Economic Dependence

Simultaneously, President Roosevelt prepared to submit to Congress his long-awaited message embodying the report of the Joint Committee on Philippine Affairs with recommendations that preferential trade relations be maintained with the Philippines on a graduated scale until 1960.

Mr. McNutt's report was referred to the House of Representatives Insular Affairs Committee and will be printed as a Congressional document. The report was submitted upon the suggestion of President Roosevelt and the Secretary of War, Mr. Harry Woodring.

The report said the past year was a "banner year" for the Philippines, economically and financially. Future conditions, however, depend on economic relations between the United States and the Philippines, the report said.

North China Cotton Crop to Be Divided

Directors of the Japanese Cotton Mill Owners' Association in China, as well as managers of various affiliated plants in Shanghai, Tientsin and Tsingtao, will be convened for a conference in Osaka on Jan. 17, *Domei* reports.

The purpose of the meeting will be to discuss steps to cope with the impending allocation of quotas by the Japanese State Planning Board of North China's cotton crop to mills in Japan, China, and Manchukuo. North China is expected to yield 3,300,000 piculs of cotton over a twelve-month period extending from September, 1938 to August this year, the agency said.

Peiping Puppets Ban Legitimate Bank Notes

Circulation of Chinese bank notes issued during the "Nationalist" regime will be prohibited after March 9, according to a decree issued by the Ministry of Finance of the Peking Provisional Government. Notes of the Federal Reserve Bank will be the only legal tender for North China. As a preliminary measure, all old bank notes will be subject to a further 30 per cent discount of their face value effective Feb. 20. They are subject to a 10 per cent discount at present.

Ningpo Opened to American Shipping

Inaugurating the service of the William P. Hunt Steamship Company from this port to Ningpo, the s.s. *Ariadne Moller* was expected to depart for the Chekiang port today. Three other vessels are due to enter this service shortly, since the placing of four vessels on the run is provided for in permits recently issued to the company by the Chinese government in Chungking. For the time being, however, the company will employ chartered vessels, the *Ariadne Moller* being the property of the Moller line.

Issuance of permits enabling their vessels to call at Ningpo, hitherto closed to foreign shipping, followed representations made to Chungking by the American Chamber of Commerce in Shanghai. Emphasizing that the United States has not been adequately represented in the shipping of Chekiang ports, the Chamber recently petitioned the government by telegraph asking that this discrepancy be remedied.

For the past few weeks a lively competition has been underway between various interested steamship companies to secure the type of permit now granted the William P. Hunt Company. Concerns interested in this lucrative shipping trade include British, German, American, Portuguese and Italian firms. Despite the Japanese blockade of the China coast, no attempts have thus far been made to seize either of the two leading Chekiang ports—Ningpo and Wenchow—both of which are enjoying an unprecedented trade boom.

Kweilin Baptist Hospital Gutted in Bombing

Definite confirmation that the American Southern Baptist Mission Hospital in Kweilin, capital of Kwangsi province, was gutted by fire when Nipponese aircraft rained incendiary bombs on the city on December 30 was given by the local office of the mission this week.

There were no "in-patients" in the building at the time, it was reported. The severity of previous aerial attacks had already forced their removal from Kweilin.

Whether bombs actually hit the hospital could not be ascertained by the missionaries in the city. When the foreign staff arrived on the spot, one wing of the building was so far gone that the cause of the conflagration could not be determined. It was thought, however, that a building next to the hospital was hit, and that these flames leaped over to the mission property.

Although the entire building went up in smoke, the hospital staff was able to salvage most of the valuable equipment.

Dr. R. E. L. Mewshaw was in charge of the institution; Miss Ruth Ford was the foreign nurse there, it was stated.

Two Japanese airplanes bombarded Sanshengkung, in Ninghsia, on Dec. 29, according to a telegram from Monseigneur G. Schotte, Vicar Apostolic. Two bombs were dropped on the Catholic chupeh; two on the mission hospital and four on the residential compound.

Japan's Rayon Output Registers Sharp Drop

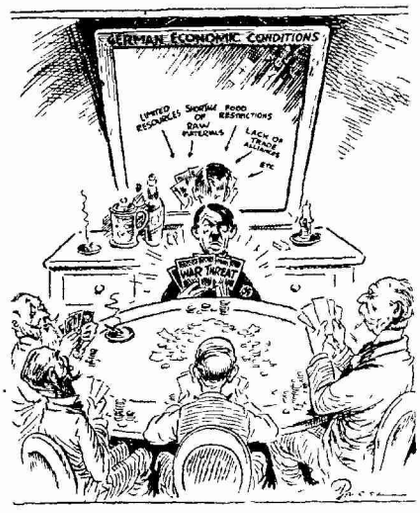
Showing a sharp drop as compared to 1937, Japanese production of rayon yarn last year amounted to 1,198,763 boxes, the Japanese Federation of Rayon Industrialists announced this week. This represents a decrease of 1,248,733 boxes in annual production, the announcement said. Rayon yarn in stock at the end of December, 1938 showed a descrease of 57,000 boxes in comparison to the amount at the same time in 1937, the Federation's report stated.

Czech Frontier Clashes and Italy's Demands Keep Europe in Tension

TESTIFYING to the fact that European antagonisms, far from softening and lessening, have multiplied and grown more acute since the carving up of Czechoslovakia at Munich last year, serious fighting broke out on Jan. 6 and 8 at two points on the Czech-Hungarian frontier. The first "incident" occurred at Munkacz, situated in territory ceded to Hungary by Czechoslovakia last year, and the second at Ungvar, in Czechoslovak territory.

German sources said that Munkacz was attacked by Czechoslovak regular troops in combination with Ukrainian irregulars.

The Price of Peace



Parrish, in Chicago Tribune.

Hard to bluff with a mirror at your back.

This was denied in a communique issued by a liaison officer of the Carpatho-Ukrainian government, which charged that a patrol of three men on the Czech side of the frontier was attacked by Hungarian soldiers. According to another version from the same source, Czechoslovak troops "merely took the necessary steps to repulse a group of Hungarian gendarmes who had attacked Czechoslovak frontier guards."

In the case of the second incident, Hungarian irregulars were said to have crossed the frontier and attacked Czechoslovak frontier guards. While a mixed commission investigated the affrays, incidents were reported to be continuing, and it is believed they may furnish the pretext for fresh Hungarian territorial demands on Czechoslovakia.

Diplomatic Chess-Board

While the first frontier battle was in progress, Col. Joseph Beck, Polish foreign minister was in Berlin conducting conversations with Reich foreign minister Joachim von Ribbentrop. Germany, foremost protagonist of the Ukrainian independence movement, backs the Carpatho-Ukrainian "independent" state, while Poland desires to establish a common Polish-Hungarian frontier at the expense of the Carpathic Ukraine. Col. Beck, according to *Havas*, left the German capital without yielding to Germany's views in this question.

By way of emphasizing its displeasure at Poland's moves for the establishment of a common frontier with Hungary—which would mean the end of the Carpathic Ukraine's independence and consequently a blow at the Nazi scheme for a Greater Ukrainian state—the German press publishes adverse reports concerning the state of affairs in Teschen, a former Czechoslovak territory ceded to Poland following the Munich agreement. *Transocean* says the situation in Teschen is "critical" and asserts that disorders have been occurring there ever since the territory came under Polish control.

Meanwhile Premier Volochyn of the Carpatho-Ukrainian Government has publicly associated himself with the demand for the establishment of a free and independent Ukraine embracing all Ukrainians. In a special interview accorded to the Prague correspondent of the London *Daily Telegraph* he expressed the hope that the Ukrainians in all parts of the world will put aside their differences and concentrate all their energies on creating a greater Ukraine. Although it is not easy to prophesy, he declared in the course of this interview, nevertheless he firmly believed that a greater Ukraine would come into existence in the near future and that the Ukrainians scattered throughout the world would be in a position to return to their brothers in the liberated fatherland at present suffering under alien oppression.

Soviets Court Poland

Soviet Russia, now completely isolated in Europe, is apparently making active courtship of Poland as a lever with which to force some sort of agreement with Nazi Germany, which scarcely makes any secret of its plans for dismembering Russia by advancing its plan for the creation of a Greater Ukrainian state, of which the Carpathic Ukraine already forms the nucleus. In this connection, much significance is attached to the rumored forthcoming visit to Warsaw of Soviet Foreign Commissar Maxim Litvinov.

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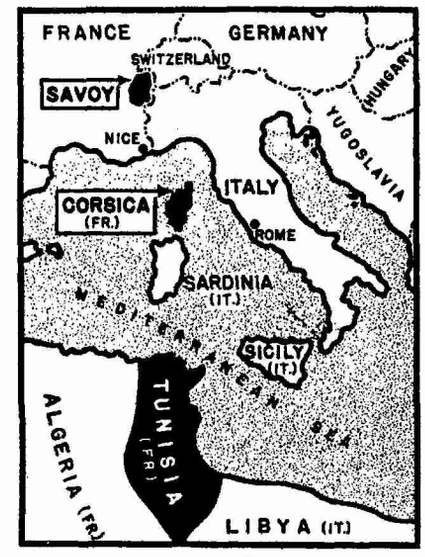
Italo-French antagonism, originating in allegations of French mistreatment of the Italian minority in Tunis, has flared up again coincident with the "triumphal tour" of France's North African colonies by the French premier, M. Edouard Daladier. The *Popolo di Italia* reported continuance of anti-Italian demonstrations in Tunis. Windows of several Italian shops were smashed and Italian flags torn from the building of the Franco-Italian Bank, said the paper, adding that two Italian shopkeepers were threatened with violence if they did not hoist the French flag. Describing Daladier's visit to Tunis and Algiers as a failure because large masses failed to turn out for demonstrations in honor of the French premier, the paper said there existed "great discontent" among the Arab population because of France's failure to grant an amnesty to political prisoners.

Speculation is rife in European capitals as to the possible consequences of the visit to Rome of the British Prime Minister, Neville Chamberlain, and the British Foreign Secretary, Lord Halifax, who arrived in the Italian capital Jan. 11 for conferences with Mussolini and his foreign minister, Count Ciano. On their way to Rome, the two British statesmen made a brief stopover in Paris. It has repeatedly been rumored that Mussolini would define Italy's demands with regard to Tunis to Premier Chamberlain, in the hope that the latter would espouse a new "Munich agreement" in satisfaction of Italian claims on France.

The diplomatic correspondent of the London *Daily Telegraph* asserted that Chamberlain would "flatly repudiate" any Italian territorial claims against France, in the event that these are put forward, as irreconcilable with the Anglo-Italian agreement. Apart from a few questions concerning Anglo-Italian relations, the correspondent said, the conversations in Rome would be confined almost exclusively to a general exchange of views on the international situation and its probable developments.

Italy Wants . . . .



—American Observer

Italy demands that France hand over Tunisia, Corsica, Savoy, and Nice.

Activity in Chekiang

(*Continued from page 212*)

party organization in each *hsien* will have, not a commissioner, but a secretary. Some 50 *hsien* secretaries are now being trained.

The opium suppression law is being strictly enforced and it is expected that in the not distant future Chekiang will be entirely free from the opium evil. Government officials are constantly reminded to be upright. A few found guilty of corruption have been severely punished.

In Chekiang, large sums of money have been collected for soldiers in the war zones and for war refugees. Only lately $14,668 was raised to buy winter clothing. Nearly 70,000 articles of padded clothing and 100,000 comforting letters have been sent to soldiers at the front, while 3,000 items of bedding are being made. New industrial enterprises are being planned for war refugees.

Chekiang is resisting foreign invasion, on the one hand, and on the other carrying on reconstruction work. Young men and women are being trained for all eventualities. The financial condition of the province is a sound one. Production of native goods is increasing. The general public is kept well-informed of the actual situation in China. The morale of the people is very high. Every boy and every girl, every man and every woman in Chekiang, is doing his or her bit to win the final victory.

Relief Committees Report Aid Figures

UPWARDS of $3,000,000 Chinese currency was spent by the American Red Cross and the American Church Committee for China Relief, for relief of distress in China, from the commencement of the Sino-Japanese hostilities in 1937 up to the end of 1938, the local advisory committees of the two organizations reported this week.

Representatives of the American Red Cross indicated that the sums allocated in China up to December 31, 1938, totalled U.S.$179,697.33 and C.N.$793,025.93. The total for the church body was stated to be U.S.$103,395.90 and C.N.$505,508.01.

Shanghai received the largest share of the Red Cross fund, totalling U.S.$57,164.00 and C.N.$294,365.12, while the second largest recipient city was Canton with a sum of U.S.$37,102.51. Wuhu ranked third with gifts aggregating U.S.$6,500.00 and C.N.$33,627.18.

Madame Chiang Kai-shek was entrusted to allocate U.S.$60,000 of the church fund while a number of U.S.$10,000 grants were made to local relief committees in different parts of China. Shanghai relief bodies were given C.N.$169,500.

The accompanying is a detailed statement of the funds allocated by the two organizations :

LIST OF GRANTS MADE BY THE AMERICAN ADVISORY COMMITTEE
(For Civilian Relief in China)
TO DECEMBER 31, 1938.

Place	*U.S. $*	*Chinese $*
Anking		12,994.00
Amoy	2,600.00	
Canton	37,102.51	
Changchow (Ku)	6,388.00	
Changtien, Shantung	1,000.00	
Changsha	5,000.00	
Chowtsun	5,000.00	
Chungking	3,000.00	
Chusan Island		2,000.00
Catholic Sisters (Shantung)		4,000.00
Chinkiang	1,500.00	4,200.00
Hankow	12,359.00	130,000.00
Hofei, Anhwei		1,000.00
Huchow	4,832.87	12,611.00
Hangchow	3,000.00	28,382.48
Hsuchowfu	3,000.00	15,000.00
Kuling		6,000.00
Nanking	2,000.00	45,400.00
Nanhsuchow		5,146.15
Ningpo		16,100.00
Peiping		10,000.00
North China (Committee on Co-ordination)	10,000.00	5,000.00
Paotingfu		5,000.00
Pingting (Shansi)		5,000.00
Shanghai	57,164.00	294,365.12
Showhsien (Anhwei)		12,500.00
Shensi-Shansi Provinces		30,000.00
Soochow	7,000.00	30,000.00
Sungkiang		2,000.00
Swatow	205.00	
Tientsin		10,000.00
Tsingtao	1,000.00	5,000.00
Taichow	1,000.00	
Tsechwan (Shantung)	2,000.00	
Tsingkiangpu and Southern Shantung	8,046.00	3,000.00
Taian		1,200.00
Tsinan, Ku.		2,000.00
West China Hospitals		18,000.00
Wuhu	6,500.00	33,627.18
Wusih	100.00	7,500.00
Wuchang		5,000.00
Yangchow		1,000.00
	179,697.38	793,025.93

AMERICAN ADVISORY COMMITTEE
ALLOCATIONS
July 1, to December 25, 1938.

		U.S. $	*C.N. $*
1.	Kaifeng, Honan—Dr. H. M. Harris		20,000.00
2.	Putai, Shantung—Fr. M. Mescher		10,000.00
3.	Cablegram to Hankow—American Consul		53.38
4.	Nanking I.R.C., Kiangsu—Mr. Lewis Smythe		5,000.00
5.	Ningpo Ka-gyiao, Chekiang—Dr. H. Thomas		2,500.00
6.	Yungfengshien, Ki.—Bish. W. E. Hammaker		6,000.00
7.	Shanlie, Che.—Rev. S. Anderson, C. Y. Loh		2,400.00
8.	Hankow, Hupeh—Madame Chiang Kai-shek	50,000.00	
9.	Cablegram to U. S.		347.38
10.	Cholera vaccine—Mr. Vittaly	1,906.90	
11.	Ningpo Hwa Mei Hospital, Che.—Dr. Thomas		5,000.00
12.	Cablegrams and telegrams		182.59
13.	Secretary's supplies		100.00
14.	Fowyang, N. Anhwei—Mr. J. H. Kane		10,000.00
15.	Shaohsing, Che.—Dr. R. E. Stannard		10,000.00
16.	Kaifeng I.R.C., Honan—Dr. H. M. Harris		20,000.00
17.	Changsha I.R.C., Hu—Dr. G. G. Helde	5,000.00	
18.	Kinhwa, Che.—Rev. J. P. Davies		6,000.00
19.	Sutsien, N. Kiangsu—Rev. W. F. Junkin		10,000.00
20.	S'hai Red Cross, Ku.—Dr. J. E. Baker		30,000.00
21.	Cancelled		
22.	Cablegram, Chinfamrel U. S.		42.92
23.	Yangchow, Ku. for antitoxin—Dr. McCracken		499.31
24.	Sishing, Che.—Miss Myrtle Milley		4,000.00
25.	Dr. R. E. Brown's travel		1,000.00
26.	Yihsien, Shantung—Mr. W. C. D'Olive		10,000.00
27.	Chengchow, Honan—Dr. S. E. Ayers		10,000.00
28.	S'hai Amer. Hosp. for Refugees—Dr. J. C. McCracken		3,000.00
29.	Chinkiang Ku.—Miss M. G. Kesler	800.00	
30.	Kaifeng, Honan—Dr. H. M. Harris		30,000.00
31.	Putai, Shantung—Fr. M. Mescher	1,000.00	
32.	Chungking, Szechwan—Madame Chiang	10,000.00	
33.	Canton, Kwangtung, Lingnan Univ.—Mr. J. M. Henry	1,500.00	
34.	Hangchow I.R.C., Che.—A. I. Nasmith	1,000.00	
35.	Nanking I.R.C., Ku—J. M. McCallum	5,000.00	
36.	Hangchow I.R.C.—Dr. S. D. Sturton		2,882.48
37.	Tientsin, N. China Co-ordinating Com.—Mr. E. H. Ballou	10,000.00	
38.	American voluntary doctors—"Reserve"	6,000.00	
39.	Huchow, Chekiang—Pastor Chang	1.00	
40.	Chenchow, Hunan—Mrs. G. L. Gelwicks	10.00	
41.	Hongkong Red Cross—Dr. C. Y. Wu	75.00	
42.	Shanghai National Christian Council	1,000.00	
43.	Kinhwa, Che.—Mrs. J. P. Davies		5,000.00
44.	Canton I.R.C.—American Consul	10,000.00	
45.	Showchow, Anhwei—Miss Mabel Jones		10,000.00
46.	Tinghai, Che.—Sister Berkeley		3,000.00
47.	Chengchow, Honan—Dr. S. E. Ayers		20,000.00
48.	Hangchow		10,000.00
49.	Nanking		45,000.00
50.	Paoting		2,000.00
51.	Peiping	3,000.00	10,000.00
52.	Shanghai		169,500.00
53.	Soochow		11,000.00
54.	Shunteh		2,000.00
55.	Tsinan (including putai)		16,000.00
56.	Wuhu		4,000.00
		106,292.90	505,508.01

Wheat Arrives to Aid China's Needy

More than 9,000 tons of cracked wheat and other foodstuffs, representing gifts to China by American business firms, reached Shanghai this week in the steamer *Sawokla*. The gifts were assembled and shipped by the American Red Cross.

Soviets to Auction Nippon Fishing Lots

While negotiations still are going on for a fishery agreement between Japan and the Soviet Union, notification has been given the Japanese Embassy by Moscow authorities that all fishery lots heretofore operated by Japanese whose terms have expired will be auctioned during February, according to information received by the Tokyo Foreign Office this week.

Mr. Shigenori Togo, Japanese Ambassador, had another conference with M. Maxim Litvinov, Commissar of Foreign Affairs, and requested that the Soviet Government reconsider its action. Mr. Togo's request was futile, according to the report received by the Foreign Office.

Mr. Togo told M. Litvinov that the Soviet Government must assume responsibility for failure of the fishery negotiations. Negotiations were certain to fail if the Soviet Government persisted in its repudiation of the so-called stabilized lots, and this would aggravate strained relations between Japan and Russia, the Japanese Ambassador is reported to have said. M. Litvinov replied that auction of the lots would not interfere with the present negotiations.

According to *Domei*, a mild sensation was created in Tokyo by a report that a Soviet airplane had "invaded" the southern portion of the island of Sakhalin on Jan. 6. The plane was reported to have flown over Japanese territory near Ambetsu on the western coast and to have landed on the ice of Lake Toro, approximately 90 kilometers south of the Soviet-Japanese boundary. When residents approached the scene of the landing, it is alleged, the plane took off and returned to Soviet territory.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

Dec. 24.—Spokesman of the Peiping "Provisional Government" denied reports of plans for North China tariff revision. Plenary meeting of the Joint Commission said delayed until January, next year.

Dec. 24.—Rear-Admiral R. Sugiyama, formerly Chief of Staff of Japanese China Seas Fleet, assumed his new post as Commander-in-Chief of Japanese Flotilla, relieving Rear-Admiral E. Kondo, who was recalled to Japan.

Dec. 24.—U.S.S. **Monocacy** and **Guam,** and the British gunboats, **Peterel, Tern** and the **Falcon,** arrived at Shanghai from Hankow.

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Dec. 26.—Chinese forces converging on Tsengcheng, important city northeast of Canton; claimed to have occupied (night of Dec. 22) hill outside east gate of the city, where fighting continuing.
Japanese troops claimed capture of four towns in Shansi, on north bank of Fen River.

Dec. 26.—Gen Chiang Kai-shek in speech at Chungking reiterated China's determination to carry on the war of resistance against Japan; statement of Prince Konoye, the Japanese premier, on Dec. 22, Gen. Chiang said, clearly revealed Japan's intention to conquer China and this intention only strengthened China's determination to continue resistance. Referring to Wang Ching-wei's recent departure from Chungking, Gen. Chiang said that Wang's trip allegedly was undertaken purely for reasons of health and had nothing to do with either the Military Affairs Commission or the National Government. Rumors that Wang was going to conduct peace negotiations with Japan was described as absolutely groundless.

Dec. 26.—Commenting on statement by Japanese Premier Prince Konoye on Dec. 22, Chinese Foreign Office spokesman at Chungking declared statement contained nothing new and so far as actual proposals were concerned differed very little from his previous utterances. Statement was rejected in its entirety on ground that Konoye was insincere in his statements regarding intentions to respect China's territorial sovereignty.
The **Ta Kung Pao** flatly rejected demand in Konoye statement that China should join anti-Comintern pact; paper declared China will continue resistance as long as Japan strives for conquest of China.

Dec. 26.—Sudden trip of Wang Ching-wei to Hanoi alleged to be for medical treatment and of no political significance. Chen Kung-po, close associate of Wang and former Minister of Industry, also flew from Chengtu to Hanoi to see Wang.

Dec. 26.—Sun Fo, President of Legislative Yuan, re-elected President of Sino-Soviet Cultural Association.

Dec. 26.—December 25, marking the second anniversary of the safe return from Sian of Gen. Chiang Kai-shek during the Sian Uprising, observed as National Rebirth Day.

Dec. 26.—Dr. Carson Chang, leader of so-called Chinese National Party, in open letter published in **Central Daily News** at Chungking bitterly attacked Mao Tse-tung, head of Chinese Communist Party and demanded that communists "hand over," immediately, the administration of the Communist District in northern Shensi to the Central Government.

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Dec. 27.—Chinese forces pushing northward along Canton-Hankow Railway towards Yochow have reached a point, within two miles of Yochow, according to Chinese report.

Dec. 27.—Madame Chiang Kai-shek, in press interview at Chungking yesterday, declared China's ultimate victory was certain; referring to Japan's ruthlessness, she said that the strength of China had been greatly increased.

Dec. 27.—The Bureau of Trade Marks announced that since its removal to Chungking from Nanking a year ago, 1,185 trade marks have been registered, of which 349 belonged to foreign merchants.

Dec. 27.—Japanese Army's fronts in China extend over a distance of 3,400 kilometers, surrounding an area of 1,505,700 square kilometers, the Army Section of Japanese Imperial Headquarters claimed in official statement. From end of Nov. 1937 to Nov. 1938, Japanese killed in action claimed "47,153" only, while Chinese dead estimated at "2,000,000."

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Dec. 28.—Situation at Canton tense as Chinese troops approaching city; heavy gunfire audible from direction of White Cloud Mountains.
Conditions at Pakhoi on Kwangtung coast relieved, following departure of Japanese warships which previously had shelled the port.
Japanese claimed to have dislodged some 6,000 Chinese troops, entrenched in hills in western Shansi.

Dec. 28.—Transport of arms to China through Burma claimed increasing; Burma Government declared that it was unaware of any obligation to interfere with passage of munitions for the Chinese forces.

Dec. 28.—Wang Ching-wei's arrival at Hongkong denied; Wang said to be "remaining" at Hanoi without passport or papers. Wang's departure from Chungking now revealed "in the nature of a flight," taken without the knowledge of the government. Chungking circles declared that "whatever statement Wang may make will have nothing to do with Gen. Chiang Kai-shek, the Chinese Government or the Kuomintang."

Dec. 28.—Gen. Chao Tung, Commander-in-Chief of Chinese volunteers in Manchuria, arrived at Chungking to confer with Government leaders.

Dec. 28.—Vernon Barlett, British M. P., in article published in **News Chronicle,** declared that China was unwittingly fighting the West's battle for democracy. "Chinese victory may be delayed, but it will come," Bartlett said.

Dec. 28.—Total of 16,000 bags of wheat, sent by the American Red Cross for refugee relief in China, due to arrive at Shanghai on Jan. 5.

Dec. 28.—Greater Shanghai Gas Company capitalized at Y.3,000,000 formed by Japanese interests.

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Dec. 29.—Peace negotiations with Japan said impossible after the statement made on Dec. 22 by the Japanese Premier, Prince Konoye, declared Gen. Chiang Kai-shek in Christmas day address, on occasion of the second annivorsary of his safe return from Sian. The Konoye statement, Gen. Chiang said clearly revealed Japan's plans of conquering China for the purpose of establishing Japanese hegemony in East Asia and ultimately over the world.

Dec. 29.—Chen Kung-po, close associate of Wang Ching-wei, arrived at Hongkong from Hanoi, declared Wang was his on way to Hongkong en route to Europe "on an important mission."

Hsin Hua Jih Pao, Communist daily at Chungking, said that Wang's departure from Chungking not only had nothing to do with the Government, but would not affect, in the least, China's resistance. Only Chinese traitors would respond to the Konoye statement, the paper declared.

Dec. 29.—Stirling Fessenden submitted resignation as Secretary-General of Shanghai Municipal Council. The Council officially announced that Mr. Fessenden's resignation had been accepted and he would retire from his post on June 30 next year.

Dec. 29.—Japanese airplanes raided Kweiyang, capital of Kweichow; Changteh, Taoyuan and Lungyang in northern Hunan also bombed.
Heavy fighting reported in southwest Shansi where Japanese artillery units on east bank of Yellow River heavily shelling Chinese positions on west bank in Shensi territory.

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Dec. 30.—Kwangtung, Kwangsi and Hunan provinces subjected to severe bombings yesterday by Japanese aircraft. Nine Japanese planes dropped over 100 bombs on Kweilin, Kwangsi provincial capital, setting many houses on fire. Chuchiang and Lienchiang in northern Kwangtung raided by more than 30 Japanese planes. Over 200 casualties resulted at Changteh in West Hunan by bombings; Yenan, Communist headquarters in Shensi, recently bombed twice, resulting in over 1,000 casualties.

Dec. 30.—Wang Ching-wei issued statement in Hongkong addressed to Gen. Chiang Kai-shek and other members of the Government urging immediate action by the Government to exchange views with Japanese Government for restoration of peace on basis of the three conditions outlined by Prince Konoye in his statement on Dec. 22. The Konoye statement demanded: 1. Sino-Japanese friendship; 2. Sino-Japanese collaboration against Communism; and 3. Sino-Japanese economic cooperation.

Dec. 30.—Gen. Chiang Kai-shek's prestige in England steadily rising; belief in China's chances decidedly strengthened, according to **Reuter** report from London.

Dec. 30.—Military training of first million of able-bodied youths in Szechuan completed; the second million will receive their training, beginning from January next year, according to Chungking statement.

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Dec. 31.—Gen. Chiang Kai-shek issued circular instruction to all commanders of Chinese troops, urging (1). To improve morale of Chinese troops, (2). To foster amicable relations between the army and the local populace, and (3). To render every aid possible to wounded soldiers and refugees.

Dec. 31.—The United States Government delivered new Note to the Japanese Government, firmly refusing to recognize Japan's efforts to establish a "New Order" in China. Note replied to the Japanese Note of November 18, in which Japan attempted to maintain that the principle of Equal Opportunity and Open Door in China was obsolete. Tone of finality observed in Washington's latest communication to Japan.

Dec. 31.—Madame Sun Yat-sen elected honorary President of Sino-Soviet Cultural Assiciation, of which Sun Fo is president.

Who's Who in China

Hsu Chao, prominent businessman; born at Changchow, Kiangsu, 1898; chartered accountant; member, Executive Committee of Shanghai Chamber of Commerce and Executive Committee of The United Drug-

許超宇冠羣

Hsu Chao (Hsu Kwan-chun)

gists' Association of China; now, Director and General Manager, The New Asiatic Chemical Works, Ltd., Shanghai; Chairman, The Shanghai Pharmaceutical Manufacturers' Association; member, Standing Committee of the Chinese Labor Union and Executive Committee of The China Manufacturers' Union of Shanghai; address: The New Asiatic Chemical Works, Ltd., 1905 Sinza Road, Shanghai.

Guerilla Tactics

(*Continued from page 211*)

sandals. Every guerilla headquarters has at least 100 Japanese uniforms, complete with helmets and leather boots.

"Favorite guerilla tale is that of 24 Chinese who, caught in Pingchuan when the Japanese entered the city, donned the blood-stained uniforms of dead Japanese, walked out of the city unmolested. This trick sometimes boomerangs. Recently 8th Route Army General Lin Piao, regarded as the ablest Chinese strategist now in the field, returned from a raid with 600 of his men who were dressed as Japanese, mounted on Japanese horses. Their own guerillas ambushed them, wounded a number, including General Lin, before their identity was established.

The guerillas also have a transverstite stunt that has taken toll on the Japanese. Chinese youths dress as girls, lure Japanese into the countryside, where waiting guerillas fall upon them.

Generalissimo Chiang Kai-shek, impressed by the guerilla successes, has announced a policy of nationwide hit-and-run attacks for the armed forces under his control. The Chinese Government at Chungking, headed by President Lin Sen, whose relationship to the Generalissimo corresponds to that of Soviet Russia's President Kalinin to Dictator Stalin, gave to Chinese guerilla leaders (many of whom are civilians and thus, theoretically, not under army orders) enlarged powers to carry on their attacks behind the Japanese lines. That this order was hardly necessary was apparent from an admission by the official spokesman at Japanese military headquarters in Shanghai. He estimated that in the area bounded by Hankow, Shanghai and Nanking 200,000 guerillas were busily at work.

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Men and Events

Mr. and Mrs. Richard P. Butrick have returned from a vacation in the Philippines. Mr. Butrick is Consul in charge of the Executive Division of the local U. S. Consulate-General.

*

Hans Melchers, general manager of the German *Transocean* news service in the Far East, has gone to Manchuria on an inspection trip. William Lange, correspondent in Hongkong for *Transocean* has returned to that city following a visit in Shanghai.

*

T. J. Aldegeur of *Reuters* service has gone to Hongkong-Canton where he will be stationed in future. S. S. Moosa, who has been in charge of *Reuters* office in Tokyo for several weeks, has returned to Shanghai.

*

W. E. Fisher, who has been a member of *The Shanghai Times* news staff for the past two years has departed on an extended trip to Indo-China, Siam and Netherlands East Indies. Mr. Fisher plans to remain in French Indo-China for several weeks.

*

The Seekingjao Golf Club, closed since the fighting here in 1937, is soon to be reopened by decision of the Rehabilitation Section of the Japanese Special Naval Landing Party, the Shanghai *Mainichi* reported this week. Any of club's 280 members, if armed with a membership card and a traffic permit issued by the Japanese naval authorities, will be permitted to proceed to the club, the daily said.

*

Bus tours to the former battlefields in the Shanghai area, inaugurated on New Year's Day by Japanese interests, are proving so popular, the Shanghai *Mainichi* said this week, that there are not sufficient buses to accomodate would-be sightseers, most of whom are Japanese residents.

*

The Central Properties, Ltd., local British realty corporation, will pay a dividend of 15 percent for the year 1938 on an issued capital of $1,800,000, according to preliminary report issued on Jan. 7. The net profit for 1938, amounting to $391,814.27, when added to the balance available from last year gives a total available for allocation amounting to $908,969.53.

*

Domei reports a donation of one yen each by the 70,000 employees and officials of the Osaka Bureau of Communications in order to make possible free air-mail service to Japanese servicemen on the various China fronts. An airplane will be purchased for the service, which is to be inaugurated in April.

*

Herbert L. Lightfoot, an American who had resided in Shanghai for several years, was given a suspended sentence of six months imprisonment by Judge Milton J. Helmick on Jan. 6. He was charged by the District Attorney, Leighton Shields, with an attempt to steal a watch valued at $250 from the British firm of Alexander Clark Company (China) Ltd. Lightfoot pleaded guilty to the charge stating that he had illness in his family with heavy hospital bills and in desperation had attempted to obtain the watch in order to buy an overcoat. His attorney J. B. Davies stated that Lightfoot had served in the Navy for 9 years until 1927, since which time he had been employed locally and had an excellent record.

A daughter, Susan Elizabeth, was born to Mrs. Robert E. O'Bolger, at the Country Hospital on Jan. 6. Mr. O'Bolger is manager in China for the Eastman Kodak Company.

*

Ralph Scott, formerly International Y.M.C.A. Secretary at the University of California, has been appointed new general secretary of the Committee on Friendly Relations Among Foreign Students in the United States. Mr. Scott has a wide acquaintance among Chinese students on the Pacific Coast.

*

Kentaro Yasuda, chief of the local Japanese consular police, has gone to Canton where he will serve as police adviser to the police division of the Canton Peace Maintenance Commission, established and maintained by the Japanese Army.

*

Special police supervision has been placed over the Dairen-Shanghai liners of the Dairen Kisen Kaisha, according to the local *Tairiku Shimpo*. A Japanese consular policeman sailed Jan. 5 aboard the northbound steamer *Hoten Maru* as a "mobile police unit," the daily said.

*

Pearl Buck, author of "The Good Earth," who recently was awarded the Nobel Prize for Literature, went to Stockholm on Dec. 10 to receive the award. She took with her for completion the manuscript of another novel, entitled "The Patriot," which will be published by the John Day Company in February.

*

The Italian Young Men's Fascist League of Shanghai on Jan. 6 gave an entertainment at the Casa d'Italia, 285 Route Maresca, French Concession, for a large number of children belonging to the "Three-Power Axis,"—Japan, Germany and Italy. Attending the party were Signor Franco Farinacci, Italian Acting Consul General and his wife; Signor Antonio Rossel Desandre, first secretary in the Italian Embassy; Signor R. Rapex, Italian Consular Judge: Signor G. Vacchina, President of the Italian Young Men's Association; Signor S. M. Apolloni, press attache to the Italian Embassy and Kikuichi Kikumura, of the Japanese Residents' Corporation.

*

A Chinese school teacher named Li Tsonung, connected with a local primary school, was fined $10 and costs in the First Special District Court on Jan. 6, on the charge of attempting to steal a book from the Commercial Press. According to the evidence Prof. Li entered the store and asked to inspect a book entitled "The Chronological Facts of the Boxer Rebellion." While inspecting the book he was seen to take his seal or "chop" from his pocket and make an impression on the title page. He then attempted to walk out with the book, but was stopped by a clerk. Li said he required the book in his work, but his reduced salary made it impossible for him to purchase it.

*

Sir Robert Calder Marshall, Chairman of the British Chamber of Commerce, who was knighted last year for his services in promoting and protecting British interests in China, was paid a high tribute by Sir Kenneth Stewart, Chairman of the Far Eastern section of the Manchester Chamber of Commerce, according to *Reuter* message from London on Jan. 6. Sir Kenneth Stewart said that close contact was being maintained between the British commercial interests in China and the organizations in England, including the China Liaison Committee in London, the China Association, and the Chambers of Commerce in London, Bradford and Manchester.

F. R. Diebold of the Eastman Kodak Company, has gone to Hongkong, Indo-China and Kunming, Yunnan province, on a business trip.

*

K. Z. Loh, general secretary of the Chinese Y.M.C.A. at Shanghai, has gone to the United States where he plans to remain for some time inspecting Association Movements in the United States. Mr. Loh is a graduate of Vanderbilt University.

*

Madame Chang Chun, whose husband is secretary-general to Gen. Chiang Kai-shek's Headquarters and former Minister of Foreign Affairs, is now in the United States with her two sons and a daughter. The eldest son, C. C. Chang, will enter Cornell University this year.

*

Mr. A. Duff-Cooper, who because he was in disagreement with the results of the Munich conference resigned his post as First Lord of the Admiralty in the Chamberlain cabinet last October, intends to deliver a series of lectures in the United States, according to an announcement in the London *Daily Telegraph*.

*

Hideichi Noyori, president of the Tokyo newspaper *Teito Nichi-Nichi* and also publisher of the monthly magazine *Jutsugyo-no-Sekai*, arrived in Shanghai on Friday of last week and plans to remain here for 10 days collecting information for a book dealing with Japan's activities on the Continent.

*

The German *Transocean* service on Jan. 8 reported that a German radical writer named Ernst Niekisch and two associates named Drexler and Troeger are being prosecuted for high treason before the Berlin People's Court. It was alleged that Niekisch was the author of pamphlets defamatory to the Nazis and urging the establishment of a National Bolshevist State.

*

T. H. Chiu, well known Chinese artis who specializes in portraits and muralst arrived in New York recently where he plans to remain for several months. While in Europe he was awarded prizes by the Royal Academy of Arts. Mrs. Chiu, who was formerly Miss Rhoda Chang is a sister of Mrs. T. V. Soong and Mrs. C. B. Tsien, who was Miss Dorothy Chang.

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Pucheng	Chengchow	*Wanhsien*	Changsha
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FOREIGN CORRESPONDENTS:

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87-249

The Rev. Arthur S. Davidson, missionary of Brockton, Mass., died in Foochow on Jan. 10 of pneumonia.

*

The Soviet authorities announced on Jan. 10 the discovery of important oil deposits in the Yakutia district, located in the Lena River valley to the northeast of Lake Baikal.

*

Father Jacquinot, founder of the refugee zones in Shanghai and Wuhan, arrived in Hongkong from Chungking Jan. 8 and will leave Hongkong for Shanghai on Jan. 13, according to the *Kuo Min* news agency.

*

The Royal Asiatic Society, North China Branch, which is located at No. 20 Museum Road, has sent notices to its members urging them to assist in increasing the membership of the organization in the coming year. Each member was provided with three nomination forms for recommending new applicants for membership.

*

Superintendent Albert H. Aiers of the Police Department of the International Settlement, who retired recently, has departed for England where he will reside in future. He served on the local police force for more than 36 years and was the senior foreign member. He joined the staff as a constable in 1902. He was awarded two medals by the Municipal Council for excellence of service.

*

Sir Montague Norman, governor of the Bank of England, became the "British Steel King," *Transocean* reported this week, by virtue of assumption by the Bank of control of the well-known British steel firm of John Sumners & Sons. Last July, said the German agency, the Bank of England secured the controlling interest in the British steel industry by buying up a majority of the shares of the Richard Thomas Company.

*

Keiji Nagata, on official of the recently created Central China Fishery Company, has returned to Shanghai from a brief trip to Japan. The fishery concern is a subsidiary of the Central China Development Company which was organized for the purpose of monopolizing Chinese industries in the Yangtsze Valley. The fishery company was created by the seizure of properties belonging to Chinese companies, by the Japanese Navy.

*

H. T. Silcock, general secretary of the Friends Foreign Mission Association in London, has announced the early establishment in Shanghai of a Quaker Center of Reconciliation and Friendship. The organization will occupy premises in the foreign Y.M.C.A. on Bubbling Well Road. Mr. Silcock, accompanied by Dr. Herbert Hodgkin, departed from London for New York on Jan. 5 and after a conference with officials of the American Quaker organization in Philadelphia and Chicago, will proceed to China. They also plan to stop over for a few days in Japan before coming to Shanghai.

*

Oliver Edmund Clubb, Second Secretary at the U. S. Embassy in Peiping, passed through Shanghai this week on his way to Nanking where he will serve as Consul. Mr. Clubb is a native of South Park, Minnesota and a graduate of the University of that state. He also studied engineering at the University of Washington and did graduate work at George Washington University. After service in the Army he entered the Foreign Service and was assigned to Peiping as language officer in 1929. He has been stationed at Hankow and Peiping since.

Robert Berkov, formerly connected with the *United Press* at Shanghai, has recently purchased the *San Gabriel Sun* of San Gabriel, Cal.

*

Frank Smith, former Commissioner of the China Maritime Customs Administration, died in London on Jan. 3, at the age of 81 years.

*

The *Chugai*, well known Tokyo daily, reported on Jan. 5 that the note issue of the Bank of Japan "has even exceeded the record of panic days—more than Yen 2,600,000,000."

*

Father Jacquinot, founder of the Nantao Refugee Zone at Shanghai, who has been in Chungking conferring with officials of the National Government, will return to Shanghai shortly.

*

Setsu Nishimura, who, according to *Domei*, swam the Yangtsze River between Hankow and Wuchang in 30 minutes—on Jan. 21, 1922—arrived in Shanghai on Jan. 10 and will devote himself to the teaching of swimming to the Japanese Army. He will also—presumably in his spare moments—make an inspection tour along the Yangtsze for the purpose of studying tidal conditions. Whether Mr. Nishimura will swim from Shanghai to Hankow was not stated.

*

Tung Wen, Japanese college in Shanghai which is occupying the premises of the Chinese Chiaotung University, has announced a change in its name to East Asia Tung Wen University. In future there will be a two-year preparatory course and a three-year regular course. It was claimed that the number of graduates exceeds 3,000. The Japanese also announced the opening of a modern science library in Shanghai, to be located at 149 Szechuen Road.

*

Mrs. Herman C. E. Liu, whose husband, Dr. C. E. Liu was murdered by gangsters employed by the Japanese-supported Ta-Tao administration in Pootung, in April of last year, is now residing in Hongkong. Her two younger children are attending primary schools while the eldest son, Franklin W. Kwang-sen, is enrolled in the Pui Ching Academy, Macao. Mrs. Liu is connected with the National People's Council and the W. C. T. U. of China. She also assisted in the opening of three refugee camps for war victims of Canton, one of which has been named in honor of Dr. Liu.

Dr. Frankfurter to U.S. Supreme Court

President F. D. Roosevelt on Jan. 6 announced the appointment of Dr. Felix Frankfurter, well known professor of law at Harvard, as a member of the U. S. Supreme Court. He will succeed Judge Cordoza, who died last July. Dr. Frankfurter, who is of Jewish descent, is an outspoken champion of liberalism and is sympathetic with the objectives of the Roosevelt Administration. Prof. Frankfurter is 56-years of age. While some opposition to his appointment is expected in conservative circles in the Senate, he has practically the unanimous support of the American Bar Association.

Tsingtao Municipal Government Set Up

The Peace Maintenance Commission of Tsingtao was converted into a Municipal Government on Jan. 10, one year to a day after the Japanese occupation of the northern port, according to a *Domei* report.

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New Books of Interest in the Far East

On the Yukon

YUKON VOYAGE—By Walter R. Curtin. The Caxton Printers, Ltd., Caldwell, Idaho, 1938. 299 pp. Illustrated. Price U.S.$3.50.

This is the diary of a young man who recorded the sights and rumors of a 1400-mile trip up the Yukon River to Dawson in the years 1898-99. Beyond that it is a human, though plain, record of a distant world caught in the lusty bloom of adolescence when men and women spun dreams of gold and chased them, too, into the frozen heart of the Klondike. Take Pat Galvin, for example.

Pat, a carefree Irishman from Montana, had struck it rich in the Klondike, and had gone to Seattle, then to London, and back to 'Frisco, handing out nuggets *en route* and gaining unlimited credit from his English backers for a trading company to be set up in Dawson. As old friends, young Curtin, the author of this diary, and his father, had been taken in the party that returned to the Yukon with Galvin and his huge cargo of motley people, sundry supplies—including a large plate glass window—and a doubtful paddle-wheel steamer. It was the plan to race up the river in September and be snug in Dawson before the ice set in. A month later the steamer was frozen tightly in a side creek of the Yukon about 400 miles up from the waters of the Pacific. The following June their boat, the *Yukoner*, resumed her voyage.

This young fellow's diary answers a great question: What would you do if you were compelled to live for a long time out in the wilderness with a small band of assorted people? Here we read of the petty quarrels of offended dignity, of the refreshing discovery that physical effort is second to none, of contacts with Indians, old sourdoughs, and Russian missionaries, of a young man's delight in the vastness of untouched nature, and of the excesses and broken dreams of the prospectors—male and female—who had "gone through." Young Curtin, now a business man in Seattle, tried to teach himself Spanish, learned to use skis and snowshoes, learned to fish, track through the country, and load heavy cases of supplies. He also learned the gentle art of avoiding his elders' quarrels by passing judgment on none of the combatants. Indeed, the wilderness seems to have taught the youthful author some great things.

The book makes no pretense of being profound or philosophical. It is straight reporting, even to the tarnished end where the boat is seized by the "Mounties" in Dawson in the claims of Galvin's investors who were unwilling to carry on the business. Even Galvin himself "went through" with his customary "Come on, boys; the drinks are on me" while his last pile of dust slid across the crowded bar in the town he had dreamed to open up. A few days more and Pat went down the river to end his days in Manila nursing a sick friend. This is how *Yukon Voyage* closes.

Aside from our human curiosity in the adventure, we also welcome the mass of photographs of places and ships along the Yukon. The book is liberally sprinkled with them and even includes a special appendix describing and listing all the early river steamboats. A good map would save rushing to the atlas, but, then, such activity is a sure sign that the book does stimulate one's geographical interest. Yes, there before one's eyes, is that twisting Yukon River, racing down to the sea from the foot of the rainbow. A young man tells us that once upon a time, only forty years ago, a strange group of people went up that way to find the pot of gold.

T. H.

Southern Tale

DOCTOR ROGER'S ORDEAL—By Homer Avera. New York, John H. Hopkins, Inc. 370 pp. U.S.$2.50.

The framework of this novel presents unusual opportunity for variety in characterization and plot. The story opens with the departure of Calvin and Roger McFarland, sons of a Massachusetts cotton mill owner, for Georgia, to open one of the first mills in the midst of the cotton country. The panic of 1837 does not end the venture, but makes it possible for Roger to return north to study medicine. He finds himself a fellow medical student in Philadelphia with the Georgian Long, one of the discoverers of the use of ether as an anesthetic. Roger himself makes use of this in his own medical work, with dramatic results. When the Civil War comes, the doctor works in the southern army, part of the time amid the horrors of the Andersonville prison.

With such a vehicle for an excellent novel it is disappointing that Mr. Avera has not succeeded in adding life and reality. There is a stilted style in the dialogue and a general poverty of characterization and description. The didactic flavor puts the book into the group of moralistic novels.

P. M. R.

Interesting Reprints

THE CHINESE MERCURY—Special Number, 1938. Published four times each year by the Chinese Mercury Company, P.O. Box 28, Columbia, Missouri, U.S.A.

This little publication, issued in Reader's Digest format, has devoted its special number entirely to the Sino-Japanese conflict. It consists wholly of reprints of interesting articles, and of press comments. Sources have been the press of the entire world, and hence the volume, edited by Mr. Chow Yi-siang, in effect represents a cross-section of the thought of the entire world on current events in the Orient. It reveals unanimous condemnation of Japan's imperialist campaign in China and the methods by which it is carried out, whole-hearted sympathy for both the masses of China and Japan. The main weakness, however, in these many expressed opinions is the complete lack of any fundamental economic analysis of the factors involved in Far Eastern politics. To expect such a real understanding, though, is perhaps to expect too much.

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Education in China

CHINA THROUGH A COLLEGE WINDOW—By William G. Sewell. London, Edinburgh House Press. pp 183. Price 2/6d.

This book gives a most engaging picture of life in a Christian university in the interior of China. The chapters include the following: The Art of Living; The New Womanhood; The Soul of China; Walking in Chinese Shoes; Merchants of Light. The method is that of incidents, all of which bear the stamp of reality and are fat more vivid and give a better idea of the situation than any amount of descriptive material could do.

Many persons may have questions as to the wisdom of bringing modern education into China or as to the results upon the young people themselves. This book will dispel such doubts. It portrays a most practical and common-sense process of re-adjustment in making the transition from the old to the new. Here is pictured the sound sense of the Chinese in interaction with the friendliness and new ideas of the missionaries from the West. The conditions portrayed are those of the interior and are much less sophisticated than residents of Shanghai are accustomed to. This gives a more accurate picture of the real China.

For example, the chapter on the New Womanhood pictures the reluctance to tempt women students to the universities and the limitations and difficulties under which they began their experience of co-education. It narrates various incidents in the course of which the women students gradually overcame disabilities and made themselves an influence of a very wholesome kind in the life of the university. It pictures their love affairs and the sometimes tragic outcome, but on the whole indicates a solid progress toward modern and normal relationships.

The chapter on Walking in Chinese Shoes gives many examples of the difference between the Western and Chinese points of view and the difficulties of making adjustments. It shows these adjustments in the process of being successfully worked out. It emphasizes humor as a universal solvent for racial differences. For instance, the the case of the new hospital matron who demanded American standards of cleanliness and drove the hospital servants to strike. "She wants us to clean even the cupboards and under the bed legs," they complained. The foreign superintendent listened patiently. "Now you know just what we Western men have to put up with from our wives," he said, when they finished. A smile brought into a grin and then the delegation gave way to laughter, and the strike was over.

The book pictures modestly and convincingly the education and modernization of Chinese youth and the sensible methods and far-reaching influences of the Christian university in this whole, most important process.

E. H. C.

White Despot

BLOODY BARON—By Vladimir Pozner. Translated from the French by Warre Bradley Welles. New York, Random House. Price U.S. $2.50

During the blood and thunder days of the Red Revolution, when Russia was over-run by opposing hordes of Bolsheviks and White Russians, the most terrible, the most fearsome figure on either side was Baron Roman von Sternberg-Ungern. The man held to the insane idea that he was a reincarnation of Genghis Khan, the mighty Mongolian warlord who once conquered most of the known world.

Son of a Central European family older than the Russian Romanoffs or the German Hohenzollerns, the Ungerns fought and slaughtered for all the great monarchs from the days of the Saracens up to the time of Ivan the Terrible. As an officer in the army of Russia's Czar, Roman became a general in the White Russian Army and, so the story goes, amused himself by sticking bayonets in the ears of prisoners and gouging out their eyes.

After the "Bloody Baron's" death at the hands of a Bolshevik firing squad in 1921, the memory of his butchery, sadism and bestial tortures lingered on throughout the Far East. In writing the story of Ungern and his mad, sadistic rise to power among the nomads of the steppes of Siberia, Vladimir Pozner had a trying time. The material, it seems, was furnished by the faded newspaper clippings on Ungern's exploits, unearthed in Paris, the rambling reminiscences of acquaintances and a heap of books in the Paris National Library. Where his imagination has filled in the blanks, Pozner frankly says so.

One popular legend has it that Ungern's sadistic mania against the Bolsheviks was due to the fact that his young wife was killed by the licentious soldiery of the Reds. The truth is, according to Pozner, that the man never had a wife and was a woman hater.

Philosopher Count Hermann Keyserling wrote: "He was certainly the most remarkable person I have ever had the good fortune to meet. Fundamentally, he was incapable of thinking . . . Even when he was at school he used to say, 'Thinking is a piece of cowardice'."

At his trial before the Bolsheviks, Ungern protested that for a thousand years his family had given orders and that he was incapable of obeying. He also admitted every atrocity in his career. These atrocities ranged from burning to death of men to the lashing of women.

One of the most bestial tortures credited to the general was made publicly known through his own confession. He admitted that he had stuck a tin bucket on a Communist's stomach and let loose a rate inside. Then he tapped on the outside with a stick. The frightened rat looked for a way out and for two hours the rodent was allowed to bite through the man's flesh.

If he ordered a whipping it was not of the type of the normal, but merciless beating handed out in the White Russian Army. Ungern added a few ideas of his own. One soldier sat on the man's head, another on his feet, while a third slashed away with a bamboo. Pozner gives details of even more brutal atrocities.

C. D. A.

Lindbergh, Lin Yutang In 'Best-seller' List

Two books by writers well known in China were included among the "best-sellers of 1938" in a list published in December 12 *Newsweek*. They were, "Listen! the Wind," by Anne Morrow Lindbergh, who visited in China several years ago with her husband Col. Lindbergh, and "The Importance of Living," by Lin Yutang, well known Chinese writer.

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